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NAVAL APPROPRIATION BILL, 1922

HEARING

BEFORE

SUBCOMMITTEE OF HOUSE COMMITTEE ON APPROPRIATIONS

CONSISTING OF

**MESSES. PATRICK H. KELLEY (CHAIRMAN), BURTON L. FRENCH,
WILLIAM R. WOOD, WILLIAM A. AYRES,
AND JAMES F. BYRNES**

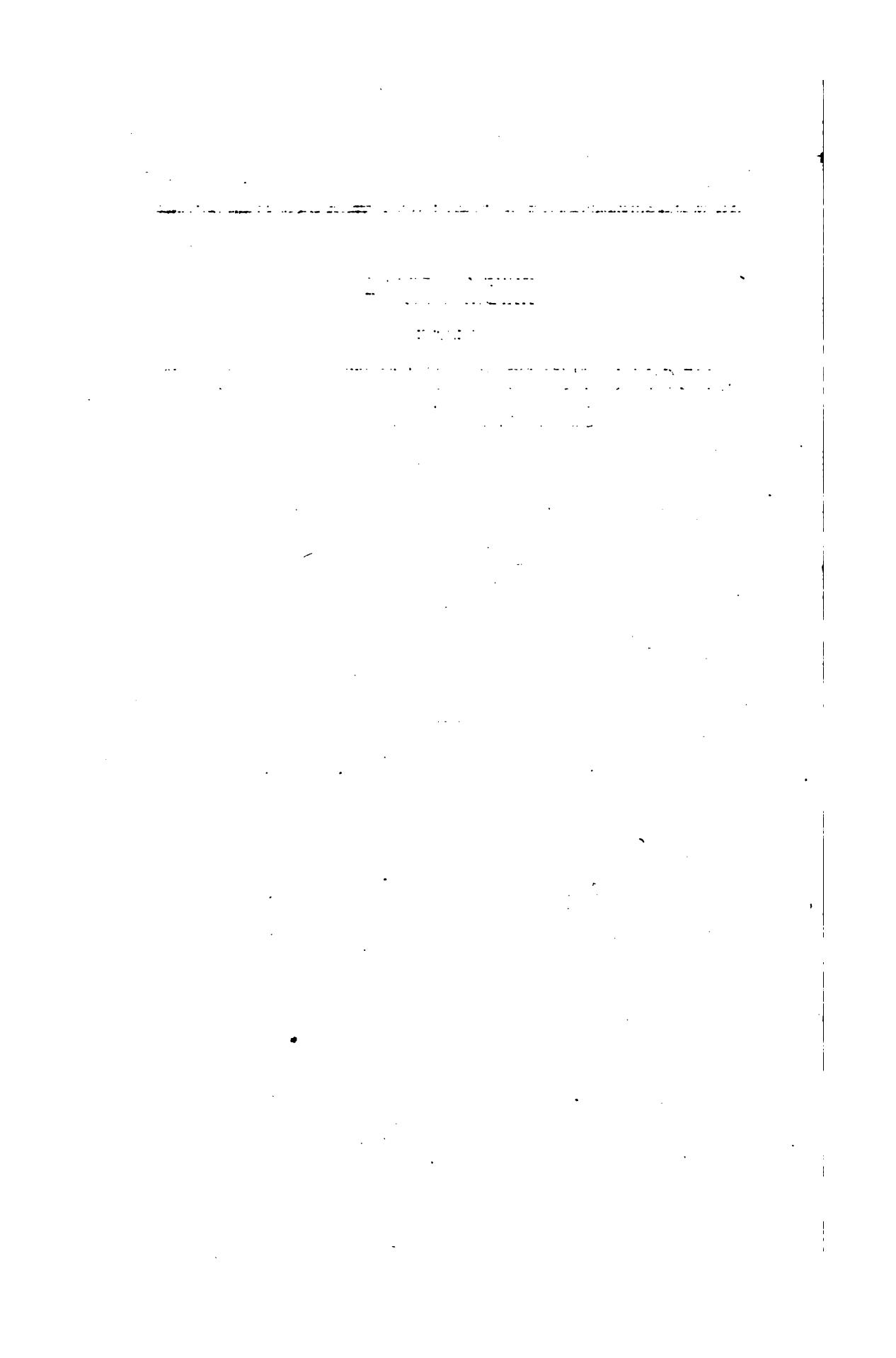
IN CHARGE OF

NAVAL APPROPRIATION BILL FOR 1922

**SIXTY-SIXTH CONGRESS
THIRD SESSION**



**WASHINGTON
GOVERNMENT PRINTING OFFICE**



NAVAL APPROPRIATION BILL, 1922

HEARING

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BEFORE
U. S. Congress.

SUBCOMMITTEE OF HOUSE COMMITTEE ON APPROPRIATIONS

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**MESSRS. PATRICK H. KELLEY (CHAIRMAN), BURTON L. FRENCH,
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COMMITTEE ON APPROPRIATIONS.

HOUSE OF REPRESENTATIVES.

SIXTY-SIXTH CONGRESS, THIRD SESSION.

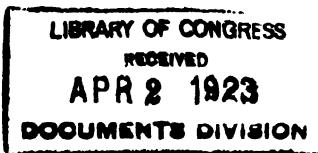
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NAVY APPROPRIATION BILL, 1922.

HEARINGS CONDUCTED BY THE SUBCOMMITTEE: MESSRS PATRICK H. KELLEY (CHAIRMAN), BURTON L. FRENCH, WILLIAM E. WOOD, WILLIAM A. AYRES, AND JAMES F. BYRNES, OF THE COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, IN CHARGE OF THE NAVY APPROPRIATION BILL FOR 1922, ON THE DAYS FOLLOWING, NAMELY:

MONDAY, JANUARY 10, 1921.

STATEMENTS OF ADMIRAL ROBERT E. COONTZ, CHIEF OF NAVAL OPERATIONS; ACCCOMPANIED BY CAPT. W. C. COLE, MATERIEL DIVISION; AND CAPT. C. S. FREEMAN.

CHIEF OF NAVAL OPERATIONS.

Mr. KELLEY. We have with us this morning Admiral Coontz, the chief of naval operations. As I understand, Admiral, you are not directly responsible for any of the items in the bill, but indirectly you are, by reason of being at the head of the Bureau of Operations, so that no special item of the bill will be taken up by you, but will be taken up by others. I would like to have you state, just briefly, the duties and the powers of the chief of naval operations.

DUTIES.

Admiral COONTZ. Briefly, the chief of naval operations is charged by act of Congress with the operations of the fleet, plans for its readiness and use in war; he is given a certain number of aids to assist him in planning and making up the war plans and with the administrative functions of the department, and he has under his supervision about nine subdivisions, including inspection and survey, the office of matériel, office of naval communications, the director of submarines, the director of aviation, the director of naval districts, the director of ship movements, director of gunnery exercises and engineering performances, director of naval intelligence, and the Naval War College.

Mr. KELLEY. Then you are really the military head of the Navy, under the Secretary of the Navy?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Do you decide upon the number of ships to be kept in commission?

Admiral COONTZ. I do, after consultation with the Secretary, and getting, as far as possible, the policy and the ideas of the State De-

partment. I then present the situation to the Secretary of the Navy and he approves or disapproves it.

Mr. KELLEY. Do you determine the number of men on each vessel?

Admiral COONTZ. No, sir; the number of men on each vessel is finally determined by the Secretary, on the recommendation of the Chief of the Bureau of Navigation, but navigation and operations have to work hand in hand, and when a question comes up Admiral Washington and I always confer before any action is taken.

Mr. KELLEY. All the sailing of ships is under your direction?

Admiral COONTZ. Yes, sir; all of their operations, such as their stations, when they go to a navy yard for repairs, all of their maneuvers, and everything of that character comes under operations.

Mr. KELLEY. You determine the amount of practice they have at sea?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. The number of miles of sailing?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And everything of that kind?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. So it is safe to say that as far as the ships afloat are concerned you have jurisdiction over them?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. The number of officers is determined by the Chief of the Bureau of Navigation, the same as the number of men—the number of officers and what officers are to be detailed to any particular ship?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Do you have jurisdiction over any of the shore activities?

Admiral COONTZ. I do to this extent: We send the vessels to the navy yards for repairs, and we have inaugurated a system, to be carried out as far as possible, that will keep relatively the same number of vessels at navy yards for repairs all the time, so that the volume of work will be spread over the entire year equally, resulting in a continuity of workmen employed and resulting in, we believe, getting much better results. I have been a commandant at a naval station and a navy yard myself, and I have found that it was a great detriment to have men employed in a navy yard for a time and then dropped, because if men have a chance to have steady jobs the whole year around they are going to give us a better day's work than if the jobs are only temporary. So we have inaugurated that policy and are carrying it out very successfully. I would state also that we have jurisdiction as to what vessels other Government departments shall send to the navy yards. For instance, the Shipping Board, the War Department, the Treasury Department, and various other departments of the Government have the privilege of sending vessels to our navy yards for repairs when we can accommodate them, and in times past it has been advantageous to both; first, in the reduced costs secured; and, second, in enabling us to tide over a period when we would have had to discharge a number of men. That is now also carried on.

Mr. KELLEY. In assigning ships to navy yards for repair, you always have in mind the available appropriations for repairs?

Admiral COONTZ. Yes, sir; absolutely.

Mr. KELLEY. So that your constant endeavor is not to exceed in any way the appropriation for any particular purpose?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And with regard to the amount of money available for fuel—is that also kept in mind?

Admiral COONTZ. It is as far as possible. You see, as it stands now we are, by the international situation, compelled to keep a number of ships in European waters all the way from the Baltic Sea to the Black Sea, and, of course, we have always to keep a number of ships in Asiatic waters for commercial reasons, and particularly in Europe on the score of humanity. All of those vessels are kept with full complements, because they may be suddenly called on for a great many things. For instance, within a few weeks, as you all know, on the final defeat of Wrangell, we had to evacuate all of our American people in the Black Sea and take some of them as far as the Adriatic. I notice that there are still some 300,000 of them in the various camps there, and in connection with that we had to handle a great deal of the Red Cross stuff.

Mr. KELLEY. So there are certain activities which you can not always foresee, and when the occasion arises you have to make expenditures that you could not plan for in advance?

Admiral COONTZ. Yes, sir. As you all know, every little while there is an uprising in a Latin-American Republic, and the call comes for a ship to go there, stand by, and look out for our citizens, or something of that sort.

FUEL CONSUMPTION.

Mr. KELLEY. I have in mind that last year we appropriated \$10,000,000 for coal and fuel.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And I understand there is to be a very heavy deficit in that item.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Do you recall what the deficit will be?

Admiral COONTZ. I think it will be \$20,000,000.

Mr. Wood. Is that under the Wentz plan?

Mr. KELLEY. The Wentz plan was an Army affair.

Admiral COONTZ. I would like to state right here that I would like you to look up the Navy records in regard to any Wentz plan or as regards any other plan as to coal and oil. Our coal was purchased, I think, all of it, under \$4 per ton, and we would also be very glad to have you look at our oil contracts.

Mr. Wood. You spoke a moment ago about there being 300,000 people over there—where are they?

Admiral COONTZ. No, sir. I said 300,000 refugees driven out of the Crimea and that we had to look out for our American people, and as a matter of humanity carried away what we could of the Russians to other safe places.

Mr. Wood. How many people have we over there?

Admiral COONTZ. We have on European stations 4,500 people; we still have vessels in the Black Sea, at the direction of the President; we have vessels in the Adriatic, but now that the trouble between the

Jugo-Slavs and the Italians seems to be in process of settlement we soon hope to get them away; and we have vessels in the North Sea.

Mr. Wood. Who are those 4,000 people?

Admiral Coontz. They are officers and men.

Mr. Wood. Of the navy?

Admiral Coontz. Yes sir. We also have a few men on shore. I think the number is now down to possibly 40. We are looking out for the communications throughout Europe; conditions there are still unsettled and we must be able to get communications to Constantinople, and we need to do that not only for naval purposes, but for commercial purposes. The claim is made that many messages will not go through except by our radio. We have recently given up the big Lafayette Station in France, but in a few of the European places we still have a few men to carry that work on. The number, I believe, is now down to 39. We helped the Food Administration in that manner several times. We attempted to pull this personnel out, but the necessity for their staying on duty ashore was absolute, so we held on to them. Of course, as the war went on we had communications all through Europe.

Mr. KELLEY. Coming back to the coal and oil situation, suppose you had operated your ships within the appropriation of \$10,000,000 instead of conducting operations as you did, what would the situation have been?

Admiral Coontz. The situation would have been that the vessels which the Naval Committee knew we were going to keep in commission would have been tied up at wharves or at anchor practically throughout the year.

Mr. KELLEY. Not all of them; \$10,000,000 was quite a sum of money for oil and coal.

Admiral Coontz. That is quite an amount, but with the number of ships that were in commission and in reduced commission that amount would have kept them inoperative considerably. There has not been any great amount of cruising this year outside of the target practices. We have to send a great deal of oil to Europe to keep those vessels there going and we send it, of course, to the Asiatic Station.

Mr. KELLEY. Do you have in mind how much your fuel has cost you thus far this year?

Admiral Coontz. No, sir. But I do know that 25 per cent of all our fuel is burned in port in keeping up the auxiliaries, steam on the ships, and things of that character. I can put in the hearings what it has cost.

Mr. KELLEY. Up to date?

Admiral Coontz. Yes, sir.

Mr. Wood. Both as to coal and oil?

Admiral Coontz. I will put that in the record.

NOTE.—There is given below an itemized statement of expenditures made under "Fuel and transmортation" for the six months' period from July 1 to December 31, 1920. While these figures are approximately correct, slight changes may be necessary when the final reports from all yards and vessels have been received:

Coal	\$4,552,400.00
Fuel oil	9,609,983.38
Gasoline	898,859.16

Maintenance fuel depots.....	\$1,492,800.00
Water, ice, tug, and vessel hire.....	1,713,370.00
Total.....	18,267,412.54

Mr. BYRNES. How much did you estimate for that purpose last year?

Admiral COONTZ. My recollection is that we estimated either \$27,000,000 or \$37,000,000.

Mr. KELLEY. What did the Secretary recommend?

Admiral COONTZ. I do not know, sir.

Mr. KELLEY. My recollection is that we gave all the Secretary recommended.

Admiral COONTZ. My recollection is that the Naval Committee was fully informed as to the amount that was needed.

Mr. BYRNES. If you asked for only \$10,000,000 and you are going to expend \$30,000,000, it would seem that you were awfully poor guessers last year.

Admiral COONTZ. No, sir. The Naval Committee had full knowledge of the amount we needed at the time, as the hearings will show.

NOTE ON FUEL AND TRANSPORTATION HEARINGS HELD IN 1920.

In Admiral People's testimony before the Naval Committee (p. 2206) there appears the following estimate of money required under "Fuel and transportation" on a basis of 125,000 men:

Coal, 1,228,400 tons, at \$6.25 per ton.....	\$7,665,000
Fuel oil, 6,842,700 barrels, at \$1.75 per barrel.....	11,099,725
Gasoline, 4,250,000 gallons, at \$0.25 per gallon.....	1,062,500
Maintenance of fueling plants.....	2,481,052
Water transportation.....	4,023,200
Water, ice, tug hire, and incidentals.....	258,600
Total.....	26,585,077

It is to be noted that the estimate is based on a certain cost per unit of coal, fuel oil, and gasoline. Any increase in unit cost necessarily increases the estimate.

The official estimate of the department, however, was \$10,000,000.

Mr. AYRES. My recollection is that there was a recommendation made of about \$25,000,000 or \$27,000,000.

Admiral COONTZ. My recollection is that it was either \$27,000,000 or \$37,000,000.

Mr. KELLEY. Coal was estimated at \$7,765,000, oil at \$11,099,725, and gasoline at \$1,082,500, which would make over \$19,000,000. You say there will be a deficit of \$20,000,000.

Admiral COONTZ. I do not know the figures, but I can put them in the record.

Mr. KELLEY. Is not the deficit \$27,000,000?

Admiral COONTZ. It might be, Mr. Kelley.

Mr. KELLEY. So that would be \$37,000,000, whereas you estimated \$20,000,000.

Admiral COONTZ. My recollection is that the committee was told that we would use \$37,000,000.

Mr. WOOD. The deficit is greater than your appropriation?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Here are the estimates of last year, just as I read them.

Mr. BYRNES. Notwithstanding the estimates it may be that at the hearings they made some supplemental statement.

Mr. KELLEY. The estimates were about \$20,000,000; the Secretary cut them to \$10,000,000 and the committee left them at that amount. What I am getting at, Admiral, is the attitude of the department toward expending more than either the estimates or the actual amount appropriated and the policy to be pursued this coming year.

Admiral COONTZ. The policy that ought to be pursued is for the committee to carefully look into this and see what is going to be expended and then for the Navy Department to hold to those figures. The appropriation for fuel and transportation is one which can be expended to any amount and any deficit put in, and that has undoubtedly been the policy for some years, but it is a policy that should be stopped.

Mr. Wood. You say that under the law the Navy Department can create any deficit it wants to create without regard to Congress or anybody else?

Admiral COONTZ. In several items it can create a deficit and it has been done for some years.

Mr. Wood. Then Congress ought to be condemned, and soundly condemned, for permitting anything of that kind to occur.

Admiral COONTZ. I agree with you. I think this, like other appropriations, should be made in sufficient amount to cover the proposed expenditures, with those expenditures absolutely made and not exceeded.

Mr. KELLEY. Have you in mind, Admiral, what circumstances caused this increase above your estimates? There is \$17,000,000 estimated to be expended above the amount you asked for. Are there any circumstances that you did not know about when the estimates were made that will account for that deficit?

Admiral COONTZ. The only circumstances that have arisen since that estimate was made would be the addition of the number of vessels we have had to send to the European stations; also an increase in the price of oil over our last year's contract, as I recollect it.

Mr. KELLEY. Of course, the actual figures as to prices will be given by the Bureau of Supplies and Accounts.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. But was there any change in your plans which necessitated more oil or more fuel over and above what you had estimated for?

Admiral COONTZ. I do not recall at present any ones of any great amount that came up except the increased cost of fuel oil, which, I suppose, has gone up 200 or 300 per cent. I may be mistaken in those figures.

Mr. KELLEY. We will get that exactly from the Bureau of Supplies and Accounts.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. So far as your department is concerned, in the ordering of ships from one point to another there was no change in circumstances that would account even for the \$17,000,000 over your estimates or for the \$27,000,000 over the amount actually appropriated.

Admiral COONTZ. I do not think of any particular thing that came up out of the ordinary. Of course, there may have been small mat-

ters. For instance, we were called upon to take part in the Magellan celebration in Chile and the Straits of Fuca, and it was our duty to take part in it as an international courtesy.

Mr. KELLEY. Evidently you did not regard this \$10,000,000 that was appropriated last year as any limit at all.

Admiral COONTZ. No, sir.

Mr. KELLEY. You went right ahead and exceeded the appropriation from the beginning, knowing that there would be a deficit?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Was that with the consent of the Secretary?

Admiral COONTZ. As far as I know it certainly must have been.

Mr. AYRES. There was a deficit of about \$15,000,000 the year before, was there not?

Admiral COONTZ. There have been deficiencies for three or four years, I think.

Mr. KELLEY. The year before, of course, was a war year, so that would not be any criterion to go by.

Admiral COONTZ. Yes; but there was a deficiency.

FLEET ORGANIZATION.

Mr. KELLEY. I wish you would give the committee, as clearly as you can, an idea of the organization of the fleet.

Admiral COONTZ. As to the organization of the fleet, gentlemen, or of the Navy, we have a European station.

Mr. KELLEY. Suppose you take the Pacific first. Without going into details, just give an idea of the plans.

Admiral COONTZ. A general idea of the Pacific Fleet is as follows: Nine battleships, first line; 4 cruisers; 18 operative destroyers; 77 reserve destroyers; 3 destroyer tenders; 1 repair ship; 1 hospital ship; 3 storeships; 24 colliers, oilers, fleet tugs, and other auxiliaries; 1 aircraft tender; 1 mine layer; 6 fast mine layers (destroyers); 12 mine sweepers.

In addition, there are based in the Pacific 2 shore-based submarine tenders, 2 submarine tenders, 30 submarines.

The Atlantic Fleet is about as follows: Eight battleships, first line; 6 battleships, second line; 2 cruisers; 18 operative destroyers; 112 reserve destroyers; 4 destroyer tenders; 1 repair ship; 1 hospital ship; 2 storeships; 18 colliers, oilers, fleet tugs, and other auxiliaries; 1 aircraft tender; 1 mine layer; 6 fast mine layers (destroyers); 12 mine sweepers.

In addition there are based in the Atlantic 3 shore-based submarine tenders, 1 submarine tender, 50 submarines.

It is the idea to keep the parts of the fleet, the Atlantic and the Pacific, in approximately the same relative strength as long as shore bases can so accommodate them.

Mr. KELLEY. So that about half of your active fleet will be based on the Pacific and half on the Atlantic?

Admiral COONTZ. Yes, sir; remembering that we have, say, 32 vessels in European waters, approximately the same number in the Asiatic, and that we have a special-service squadron based on Panama that handles matters from the Mexican border south, if called on.

Mr. KELLEY. Is the main fleet called the Pacific Fleet?

Admiral COONTZ. No, sir. The title that we hope to give the whole fleet will be the United States fleet. One is now called the United States Atlantic Fleet and one the United States Pacific Fleet. They are about equal in size and strength.

PACIFIC FLEET BASES.

Mr. KELLEY. The Pacific Fleet would be based at the Bremerton yard and at the Mare Island yard as well as at Hawaii?

Admiral COONTZ. And the destroyers that are in reduced commission are in San Diego.

Mr. KELLEY. Are there any other shore stations upon which they would be based in the Pacific?

Admiral COONTZ. San Pedro.

Mr. KELLEY. There is not very much there?

Admiral COONTZ. No; there is a submarine base there, and the Pacific Fleet has been utilizing that as an operating base.

Mr. KELLEY. Where did you get the money with which to take care of that base last year? We did not appropriate anything for it.

Capt. COLE. There was very little based at San Pedro, the only thing there being certain temporary houses or shacks.

Admiral COONTZ. The city of Los Angeles, my recollection is, furnishes the buildings on the beach that we use; I do not think they are at any cost to the Government.

Mr. AXRES. That is at San Pedro?

Admiral COONTZ. Yes, sir.

ASIATIC FLEET.

Mr. KELLEY. What about the Asiatic Fleet? What have you over there?

Admiral COONTZ. We have the *Huron*, which is—

Mr. KELLEY (interposing). You need not go into any details as to the ships, but give a general idea of what you have there—what sort of ships, what they are there for, their duties, and where they are.

Admiral COONTZ. We have a flagship, which is a cruiser, that has been spending most of her time in the past year at Vladivostok; we have two old and small cruisers over there, one at Hongkong and the other at Vladivostok; we have two other small vessels on the south China patrol; we have what is known as the Yangtze River patrol, composed of the old *New Orleans*, and six small boats that we captured from the Spanish in 1898. They run up and down that river and look out for our American people, and largely the missionaries.

There is a combined Yang-tse-Kiang partol, that all the nationalities are engaged in, and that partol goes up the river 2,200 miles. If you have noticed the press within the last few months, you no doubt saw that we had troubles there; sometimes the British would get them out and sometimes we would. We have a number of auxiliaries, such as colliers, tankers, and small craft, some of which we also captured in 1898, including two station ships, the old *Mohican*, *Cavite*, and the *R. L. Barnes*, at Guam; and a vessel, called the *Sara Thompson*, at Cavite, which we turned into an oil holder to

help out both the Shipping Board and ourselves. Besides that we have at present eight destroyers, of which two are mine layers, and six of these replaced the old coal-burning destroyers. In other words, the vessels on the Asiatic station are not of any tonnage, are not of any great military value at present, and from time to time, of course, will be condemned and sold. The Asiatic station has been reduced, of course, as the years have gone by until—

Mr. BYRNES (interposing). You say they are kept there mainly to protect our missionaries?

Admiral COONTZ. I will not say our missionaries, but our Americans. Of course, there are a number of missionaries there for commercial reasons, and one thing and another.

Mr. BYRNES. You feel you must keep that number of ships there and that number of men?

Admiral COONTZ. Yes, sir; we do; and that it should be slightly augmented when we can. We have had calls for them which we have refused.

Mr. AYRES. What other nations patrol that river?

Capt. COLE. The English, the French, and the Italians at present, and formerly Germany, Austria, and the Japanese.

Mr. KELLEY. Do you recall about how many men it takes to man these old ships?

Admiral COONTZ. It takes, roughly, 2,800 men; that is, the whole station, including Guam and the Philippines.

Mr. KELLEY. I suppose you could reduce that number somewhat by sending better ships that are now in commission somewhere else and putting these all out of commission.

Admiral COONTZ. The reason we can not put these all out is because we have got to have vessels of shallow draft to work in those rivers and waters.

Mr. KELLEY. Could not a destroyer do it?

Admiral COONTZ. A destroyer can not do it; we have got to have very shallow draft vessels. However, we would like to get rid of these vessels; they are very old; they have no military value, and we have had some of them for 22 years.

Mr. BYRNES. Have those ships a full complement, or what proportion of a full complement?

Admiral COONTZ. Those ships have their full complement.

Mr. BYRNES. What is the necessity of having a full complement on those ships?

Admiral COONTZ. Because they are called on for duty all the time, for climatic and sanitary reasons, and if we had to use them for anything we would want a full complement.

Of course, from time to time we have to send men out there for replacements and to let the old-timers come home. The idea is that those ships are a long way from home while here in our own country we can operate craft with a reduced complement, but it is not possible to do that at long range. The number of personnel is not great.

Mr. KELLEY. The average on these small ships is about how many men?

Admiral COONTZ. I would say there must be 30-odd on the river patrol vessels.

Mr. KELLEY. You have given some thought to putting these old ships out of commission and getting rid of them, thus saving that 3,000 men?

Admiral COONTZ. We will save such of them as are worth while and replace the others by modern vessels.

Mr. KELLEY. It seems like a great many men to have on those old ships who might better be employed elsewhere.

Mr. BYRNES. I am willing to express my ignorance, but you say you must keep them there for climatic and sanitary reasons. What do you mean by that?

Admiral COONTZ. I mean to say that the health conditions in China and up those rivers are not as good as in the United States.

Mr. BYRNES. Would not that be a reason for not having a full complement? Instead of having a full complement subjected to such conditions I would rather subject a few men to those conditions.

Mr. KELLEY. I suppose you must have some extra men to man the ships when some get sick—is that what you mean?

Admiral COONTZ. Yes, sir.

Mr. BYRNES. Do you have many laid off as a result of illness?

Admiral COONTZ. Yes; there are more men sent home from out there than from any other place.

Mr. BYRNES. But when you send men home you send others to take their places?

Admiral COONTZ. Yes, sir.

Mr. BYRNES. I thought you meant that at a given date you would have so many incapacitated because of climatic and sanitary conditions that it was essential to keep a full complement there, and not having a sufficient number to attend to the necessary business of the ships, but if that is not the reason I do not understand what you mean by climatic and sanitary reasons.

Admiral COONTZ. You have given the correct reason, that we should have them manned in full out there, and we, of course, have had to have vessels at Vladivostok and these various other points that have come up from time to time.

Mr. KELLEY. What hospital facilities have we outside of the Philippines?

Admiral COONTZ. We have one hospital at Yokohama, Japan, and we have a hospital at Cavite.

Mr. KELLEY. And those are necessitated by these ships that ply between these places?

Admiral COONTZ. Yes, sir. It might be noted that Cavite is in a very hot part of the world for anybody to convalesce.

Mr. KELLEY. Could that hospital be discontinued?

Admiral COONTZ. I do not see how it could be, because you have got to keep people there until you can send them home or do something else with them.

VESSELS BASED ON HAWAII.

Mr. KELLEY. Are there any other ships on the Pacific—any special ships based on Hawaii?

Admiral COONTZ. Yes, sir; we have one submarine tender there, the old *Chicago*, built in 1887, the first of the White Squadron. We

have based there six mine layers, that are there for patrol purposes; we probably have a few subchasers there and a few tugs.

Mr. KELLEY. How many submarines?

Admiral COONTZ. Ten.

LOCATION OF SUBMARINES.

Mr. KELLEY. Do you know where all of our submarines are now? Have you that information at hand?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. I wish you would tell where they are.

Admiral COONTZ. There are three of the D class at New London, Conn., and seven, from N-1 to N-7.

Mr. KELLEY. That makes 10 at New London?

Admiral COONTZ. Yes, sir. Then there is an active division of 10 submarines which has a base at New London for its work.

Mr. KELLEY. You mean 10 more?

Admiral COONTZ. Yes, sir; they simply base there; that is their headquarters. At Coco Solo, on the Canal Zone, we have 13, 6 of the O class and 7 of the R class; at Philadelphia, Pa.—

Mr. KELLEY. You have 13 at Coco Solo?

Admiral COONTZ. Yes, sir. At Philadelphia, Pa., we have eight that are not ready for war, with only skeleton crews on board; we have two at Hampton Roads in an inactive status, with the personnel required for preservation only, and eight others there not materially ready for war, and for which we have asked Congress to appropriate \$2,000,000 for reengining; we have two at San Pedro, Calif., of the F class; they operate with skeleton crews and for training purposes only; we have an active division of four of the H class based on San Pedro, and two of the L class also based there; at Pearl Harbor we have 10 ready for war; that is their active base; at Cavite we have three. These vessels have practically no military value and will be scrapped upon the arrival of newer submarines. At Camden, N. J., we have 10 from R-1 to R-10, which are to be assigned to the Pacific station and probably based on Pearl Harbor. We have one vessel, known as the T-1, which travels with the U. S. S. *Bushnell*, and is equipped with unreliable engines of the Electric Boat Co.'s design, and which has to be straightened out. Then we have an S-1 vessel at Philadelphia; one at Portsmouth; three at Key West; one at Portsmouth uncompleted; one building there; one uncompleted at Bridgeport, Conn.; one uncompleted at Fore River; one uncompleted at San Francisco; one building at Fore River, and one at Bridgeport. I think that takes in the entire number.

Mr. KELLEY. Does that make 131?

Admiral COONTZ. I think it does.

Mr. WOOD. It makes 95.

Admiral COONTZ. I find an error here. At New London there are eight additional based, their complement filled but not thoroughly trained for war; S-1 to S-13 are building at Portsmouth, N. H.; S-14 to S-17 at Bridgeport, Conn., uncompleted; S-18 to S-29 uncompleted at Fore River; S-30 is at San Pedro, Calif., for training; S-31 to S-41 are uncompleted at San Francisco; S-42 to S-47 are building at Fore River, and S-48 to S-51 are building at Bridgeport, Conn. That will change those figures.

SUBMARINES UNDER CONSTRUCTION.

Mr. KELLEY. Of those building, which ones are we having engine difficulty with?

Admiral COONTZ. The S-boats.

Mr. KELLEY. How many are there of those?

Admiral COONTZ. There are in all 51 S-boats, of which a certain number are being built by the Electric Boat Co., and those are the ones with which we are having engine trouble.

Mr. KELLEY. How many are under construction?

Admiral COONTZ. About 30.

Mr. KELLEY. We can get the exact figures from Admiral Taylor.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Those 30 will not be serviceable, will they?

Admiral COONTZ. No, sir.

Mr. KELLEY. Are they counted among the 131?

Admiral COONTZ. Yes, sir.

Mr. WOOD. You say you are building them. Why are you building them if they are not going to be any good when you get them built?

Admiral COONTZ. We expect to have them good when we get them done; we are having trouble with the contractors, who have not furnished us with serviceable boats, and we have refused to accept them.

Mr. KELLEY. So that would reduce the number of submarines to about 100?

Admiral COONTZ. Yes, sir.

SUBMARINES IN COMMISSION.

Mr. KELLEY. How many of those do you feel it will be necessary, from a military standpoint, to keep in commission?

Admiral COONTZ. We expect to keep 131 submarines, if they turn out all right, in commission, and they call for 3,726 men.

Mr. KELLEY. That uses up your men pretty fast.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. You would not have 131 available for service, because 30 of them are not satisfactory so far and may not be.

Admiral COONTZ. For the coming fiscal year they probably will not be.

Mr. KELLEY. Did you include among those you have mentioned the old F-boats, built a long time ago, or are they in addition?

Admiral COONTZ. There are not very many of them, as I recollect. There are *F-2* and *F-3*; these vessels operate with skeleton crews for training purposes only. Of those we expect to keep in commission we begin with *H* and then come on down.

Mr. KELLEY. All down to the *H* class are out of commission?

Admiral COONTZ. Yes; and are to be scrapped.

Mr. KELLEY. If you had half of your submarines in commission you could take care of all your work, could you not?

Admiral COONTZ. That is a very serious question, Mr. Kelley. We are strong on submarines and we are strong on destroyers.

Mr. KELLEY. That is to say, we have lots of them?

Admiral COONTZ. Yes, sir; and they are mighty good things to have in case of need.

Mr. KELLEY. I know they are handy things to have around, but is it necessary this coming year to use over 3,000 men on the submarines?

Admiral COONTZ. Leaving out the inability to place the S-boats in commission, the number will be reduced that much.

Mr. KELLEY. You could probably get along with half that number of men on those ships with the 30 S-boats left out and the others reduced somewhat?

Admiral COONTZ. No, sir; I do not think so.

Mr. KELLEY. They are scattered all around. You have 28 at New London. Why is it necessary to have 28 at New London?

Admiral COONTZ. That is our training base where we train all those men and get them in shape, and if we had our men fit and trained it would not be necessary, but you must remember the situation that we came down to with only 38,000 trained men, and although we have 132,000 now we are in the training business day and night.

Mr. KELLEY. Why do you want 8 at Philadelphia?

Admiral COONTZ. Those are being repaired.

Mr. KELLEY. Why do you need any at Hampton Roads?

Admiral COONTZ. We train the men at Hampton Roads and they operate from there, too. Submarines are different from other vessels in that they must have a place to go home with frequency, and some base on New London and some base at Hampton Roads.

Mr. KELLEY. I can see why you should maintain 30 at Coco Solo, or perhaps more down there, a certain number on the Pacific and perhaps over at Hawaii, but I do not see why you need to have them scattered at such short intervals here on the Atlantic. Could you not reduce your force a little, so as to cut out on the Atlantic a certain number of these for a year or so? If it were important to have the men you probably could and would reduce the number of submarines in commission on the Atlantic, would you not?

Admiral COONTZ. We are, of course, sending some of those to the Pacific. It is important to save the men, of course, and we are going to do it where we can do it best.

Mr. KELLEY. This would be one place where you probably would do it.

Admiral COONTZ. Of course, the entire question is based on what we think the fleet ought to be and on the further fact that when war breaks out you can not train submarines right off the bat.

Mr. KELLEY. 4,000 men would mean probably as much as \$6,000,000.

Admiral COONTZ. My figures do not agree with you; 4,000 men might mean \$4,000,000. If we did make a cut we would make most of the cut on battleships, cruisers, auxiliaries, the destroyers, Eagles, and mine sweepers; we would not touch the submarines; we would sacrifice other things first.

Mr. KELLEY. You would keep all of these 100 submarines in commission?

Admiral COONTZ. Yes, sir; we would keep all we could get of them.

Mr. KELLEY. Then, you would require for this item two-thirds of the number of men specified by the Bureau of Navigation?

Admiral COONTZ. I should say that if we did not get those S boats we would require about 1,000 less men.

Mr. KELLEY. Your opinion is that no matter how much of a force of men you had you would not reduce the number in commission?

Admiral COONTZ. No, sir.

Mr. KELLEY. I notice that at the present time you have 1,930 men on your submarines—how do you get along with them now?

Admiral COONTZ. We get along with them because we have to.

Mr. KELLEY. Do you mean you have them all in commission?

Admiral COONTZ. No, sir. The first two I spoke of are for training; the next seven for training; the next 10 have their complement filled and the men are being trained; the next six are temporarily operating with complements filled from six other vessels and are ready for war.

What I was going to state was that when this table was made out that you were looking at in October, we expected 42 submarines to be completed and used in the coming year. The complements for the remaining ones are about, roughly, 2,400 men and we have on those one thousand nine hundred odd. In other words, we had to cut them down to that by our necessities. If we do not get the submarines we do not need the men.

VESSELS IN EUROPEAN WATERS.

Mr. KELLEY. Tell us about the number of men on the ships in European waters.

Admiral COONTZ. The personnel in European waters numbers 4,500. There are thirty-odd ships, including the flagship *Pittsburgh*; the *Olympia*, the flagship of Admiral Andrews, in the Adriatic; the *St. Louis*, the flagship of Admiral Bristol, at Constantinople, where he is also the United States High Commissioner. This number also includes a number of destroyers, which were added to by direction of the President about four months back, and 6 additional destroyers had to be sent at that time. We have asked the State Department if the time had come when we could safely withdraw those additional vessels, and we got an informal reply this morning that the conditions were not such that they could.

Mr. KELLEY. They could not tell you whether or not you might withdraw them by the 1st of July?

Admiral COONTZ. No, sir.

Mr. KELLEY. So you are planning to keep all of these vessels in European waters all of next year?

Admiral COONTZ. Not if we can get them back.

Mr. KELLEY. If you should get them back, would they be put out of commission—at least some of them?

Admiral COONTZ. They would either be put into the active fleet or in reserve. At present, in the Atlantic, we have 18 destroyers in operating condition and the same number in the Pacific. The others are in reserve status. We would like to have 54 on each coast in full operating condition to carry out our plans and maneuvers and things of that kind.

Mr. KELLEY. That makes 108 altogether?

Admiral COONTZ. Yes, sir.

Mr. AYRES. That is, destroyers?

Admiral COONTZ. Yes, sir; 108 in two oceans. Of course, the destroyers, as you know, are mostly new and still being built and

require about 40 men on each to keep them in efficient condition even when they are in reserve.

Mr. AXERS. Even if these ships in European waters were brought home, you think that most of them would still be kept in about the same status, as far as the men are concerned?

Admiral COONTZ. Yes, sir; up to the limit of 54 in each ocean.

TORPEDO BOAT DESTROYERS IN COMMISSION.

Mr. KELLEY. Then your estimate contemplates having 144 destroyers in full commission?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Where are the rest of them?

Admiral COONTZ. We to-day have 20 in China. That would be 128, and 12 mine-laying destroyers, and we are going to keep 6 destroyers in Europe probably.

Mr. KELLEY. So that the aggregate is 144.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. The destroyer force, of course, is a force that you can contract or expand at will, I presume?

Admiral COONTZ. Yes, sir; as long as you have them in reserve and ready for duty. At San Diego we have a large number of them that are ready to go out and we have about 30 men apiece on them.

Mr. KELLEY. You are asking for 26,000 men for destroyers alone?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And to have 144 destroyers in commission, and 154 with 60 men each on board?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. What can you do with a destroyer with 60 men on board?

Admiral COONTZ. At present, with 60 men on board, they can be kept in material readiness for war. All you have to do is to get the other men and train them.

Mr. KELLEY. Is it necessary to have as many as 154 of them with 60 men on each of them?

Admiral COONTZ. Well, it is a question—

Mr. KELLEY (interposing). That is almost 10,000 men.

Admiral COONTZ. It is also a case of public policy and economy and material readiness.

Mr. KELLEY. If we had not had the war you never would have recommended the building of this number of destroyers, would you?

Admiral COONTZ. We probably would not at that time. We would have put the money in other lines.

Mr. KELLEY. The number of destroyers that we have now is vastly more in number than you would have ever recommended to Congress to build?

Admiral COONTZ. At that time; yes, sir.

Mr. KELLEY. The 1916 program called for only 50?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Do you remember how many destroyers we built during the war?

Admiral COONTZ. No, sir; I do not know how many we completed.

Mr. KELLEY. Do you know how many we have now?

Capt. FREEMAN. We have now about 250 completed.

Mr. KELLEY. The 1916 program called for only 50, and we had about 50, so you really contemplated about 100 destroyers when the 1916 program was finished, whereas we have about three times that number.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Does not that argue that we ought to tie up a larger number of destroyers at a time like this, just keeping them in good repair and not putting so many men on board?

Admiral COONTZ. The situation is this: The 1916 program was not completed and has not been yet, and our judgment is that every destroyer and every submarine that we can keep in commission until we do get the program completed is what we should do. Those are strong reliances, destroyers and submarines, in case of any trouble or emergency. We have not got the battle cruisers of the 1916 program and have not many of the other vessels.

Mr. KELLEY. But you have so many more of these than you would have had under the 1916 program.

Admiral COONTZ. We consider that group filled.

Mr. KELLEY. You see you are asking for about from one-third to one-fourth of all your men afloat to be put on destroyers.

Admiral COONTZ. Yes, sir. We, of course, have learned a whole lot about destroyers, not only about what they are primarily built for but their great usefulness in submarine work and, as I say, the fact that we have got those destroyers and have got those submarines is one of our main reliances in case of any trouble.

Mr. KELLEY. Why should we keep so many in full commission and so many others with 60 men on board, which is about three-fourths—two-thirds to three-fourths—in commission?

Admiral COONTZ. We could, of course, bring those down, but you must remember that those are all new vessels and we want to keep them in material readiness. If we put them out of commission, you know how quickly they go down.

Mr. BYRNES. What number of men is necessary to keep on board in order to maintain them properly without deteriorating?

Admiral COONTZ. Forty.

Mr. BYRNES. What necessity is there, then, for keeping more than 40 men on board?

Admiral COONTZ. To get them up to shape and keep them in excellent condition so that they can go out and operate instead of lying still for 360 days.

Mr. KELLEY. You estimate that 40 will enable you to do that?

Admiral COONTZ. Forty just keeps them so they will not go backward; 60 permits them to operate from a shore base.

Mr. AYRES. What is the full complement?

Admiral COONTZ. One hundred and fourteen.

Mr. KELLEY. That is, on the latest model?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Now, upon the other, the smaller design, the complement is much less than that?

Admiral COONTZ. It is 97. There are 20 of them whose complement is 97.

Mr. KELLEY. And the rest of the complement is 114?

Capt. FREEMAN. They go as high as 126.

Mr. KELLEY. These figures that we have here from the Bureau of Navigation are based on that full complement of 114. Of course, we will get that from the Bureau of Navigation.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. I was thinking, in view of the fact that we have so many more than the Navy would have had, if it had not been for the building of these during the war, when they were needed for a particular sort of warfare, that it might be advisable to tie up a larger percentage, because the estimates contemplate putting 26,000 men on them. That is almost two-thirds as many men as you had in the Navy afloat before the war.

Admiral COONTZ. We consider that they are put to a mighty good purpose, with all this material, and that 40 will keep them in condition, and 60 enable them to run.

Mr. KELLEY. It runs into money pretty well when you figure the repair bills on the hulls and machinery. Hull-repair work will run around \$5,040,000, and machinery repairs would be as much more, would they not?

Admiral COONTZ. No; as to machinery, I should not think so if we had those men to keep them in shape.

Mr. KELLEY. If they were just tied up, of course: I mean if they were operated as you ask to have them operated, it would cost about \$10,000,000 for repairs.

Admiral COONTZ. Yes; possibly it would.

Mr. KELLEY. Do you know how much you allow for fuel for one of those ships?

Admiral COONTZ. No; I do not; I could figure that. It averages approximately 15,000 barrels per year per destroyer.

Mr. KELLEY. We will get that from the Bureau of Supplies and Accounts, then. I wish particularly to direct your attention to the possibility of saving considerable both in repairs and fuel and in men if you pursue a little different policy toward the destroyers.

Admiral COONTZ. Of course, that is possible and it is entirely up to the committee and to Congress as to what is to be done.

Mr. KELLEY. You would not consider it a very violent thing to do, if you tied up a few more of those ships.

Admiral COONTZ. As I said, I consider that those destroyers and submarines are vital parts of our fleet, but that we can reduce them, if you say so.

Mr. AYRES. To what extent would they deteriorate if they were tied up, so to speak?

Admiral COONTZ. Unless the machinery is watched all the time and the various compartments below the water, they deteriorate fast; rust and scale forms, and so on.

Mr. AYRES. How many men would it take to watch them and keep them in the condition you state that they should be kept in so that they will not deteriorate?

Admiral COONTZ. Forty. It will take 40 to do it properly.

Mr. KELLEY. Would 40 men be comfortably busy all the time on a destroyer even if it be laid up at the dock?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. That number could navigate the ship to a great extent?

Admiral COONTZ. It takes 60 to run it. When they did go outside to operate, we would have to pull in 20 from somewhere else.

Mr. KELLEY. How many destroyers have you in commission now?

Admiral COONTZ. We have about 230, of which about 62 are in full commission.

Mr. KELLEY. And the rest of the 298, or whatever the number may be, have a complement of 60 men on board?

Admiral COONTZ. Forty-eight not delivered; and I should say the complements have by this time gotten up to nearly 40. When I was in San Diego a month ago I saw that they had just jumped from 35 to 38 and they were beginning to improve, so that they (those responsible) would soon be able to handle the situation.

Mr. KELLEY. Then, it would not be any deviation from your present policy if you continued a larger number in reserve than you had originally suggested?

Admiral COONTZ. Our suggestion that we should have 16,416 men was based on fully commissioning, on each coast, 54, while we have now 18. The number we are going to keep in full commission depends entirely on the number Congress votes.

Mr. KELLEY. If you had 54 in the Atlantic, they would not operate independently of battleships?

Admiral COONTZ. No, sir. We would carry on battleship maneuvers with the 54.

Mr. KELLEY. How could you use that many with nine battleships?

Admiral COONTZ. In various ways, as scouts and screens, and so on, in carrying on the war plans, and, of course, the fleet operations as a whole are carried out at sea, and the destroyers would all be with them. We got them down to 54 as the proper number to carry out in various places necessary maneuvers for training personnel. We have only 18 to operate now with each battleship force.

Mr. KELLEY. You are going to send 10 more to China?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Will not that permit of the release of some of those little ships over there?

Admiral COONTZ. We expect to sell some of these small gunboats. I want to state that we attempted to replace some of them with destroyers a few months back, but found we could not send destroyers up the Yangtse. The Yangtse is the border between north and south China and there is a warfare going on across the river all the time, and that is the reason the various nations keep ships there.

Mr. AYRES. You have so many adventurers and missionaries to take care of?

Admiral COONTZ. We have so many State Department people, so many commercial people, and so many missionaries. They are the three main forces that we look out for.

Mr. BYRNES. It really means an expenditure of about how much money to look after those citizens of ours?

Admiral COONTZ. I would have to figure what that would cost. We have been doing it for a century.

Mr. BYRNES. It is our contribution to foreign missionaries and foreign commerce.

Admiral COONTZ. To our commerce; yes, sir. It is founded entirely on foreign policy.

Mr. AYRES. I did not understand what was the number of destroyers we have, 230 or 232?

Admiral COONTZ. Our total will be 298 when they are all built and delivered.

Mr. AYRES. That is, the completion of the 1916 program?

Admiral COONTZ. No, sir; that is the completion of the war program, besides what we canceled. During the war it was necessary for us to build the destroyers, and Great Britain built other kinds of ships. We sacrificed our big building program while we were building destroyers, and did it that way by agreement, I suppose, with the Allies.

Mr. KELLEY. The 1916 program, as I recollect, called for 50, and we had 54. That would have given us 104. The extra destroyers were built out of the war funds?

Mr. AYRES. As I understand, we have not completed the 1916 program, but have completed the war program.

Admiral COONTZ. Yes, sir; there are some not finished and a number of other contracts were canceled. We were going to build 318.

MISCELLANEOUS SMALL CRAFT.

Mr. KELLEY. I note that you have 47 mine sweepers, which require 2,456 men. Is it necessary for your operations to keep in active commission that many during the coming year?

Admiral COONTZ. Of the 47 mine sweepers and fleet tugs, 24 are for use with the mine force. These were, of course, powerful vessels that we got during the war. We did not have any. We had had no training with mine sweeping and mine laying. We found how important an adjunct mine sweeping and mine laying is in time of war and we utilized these people to train our people in that line.

It all comes back to the same question. We have made our plans along the policy that we thought the country would want carried out. At the time this plan was made up the question of any great economy and the economic situation had not come to pass. As I say, if Congress in its wisdom does not give us the money for all this, we cut our cloth accordingly, but our plan was based on what we ought to have and, if we can not have it, we cut down.

Mr. KELLEY. Of course, you have the submarines and the mine sweepers and destroyers and battleships and larger cruisers.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Undoubtedly you would consider those of the greatest military value.

Admiral COONTZ. There are certain ones that are, you might say, of nonmilitary value, but, really, for the fleet operated as a whole we have got to have the capital ships, the cruisers, the submarines, the destroyers, and the auxiliaries to supply them, and the mine force.

Mr. KELLEY. You have 21 patrol vessels, to which there are assigned at present 3,379 men. Where are those vessels located?

Admiral COONTZ. They are partly used in the special patrol squadron which has its headquarters at Panama. We use those vessels almost entirely as the request of the State Department. For years we never had a vessel out of Tampico Harbor. Naval vessels were in there year in and year out. Conditions there have recently come

to pass so that we have been able to withdraw. There are always, as you know, troubles in various West Indian and Central American countries, and we finally formed this squadron to keep from pulling ships out of the fleets from time to time, so as to have them under one man, and he could utilize them as he saw fit, and also from time to time relieve them and let them go north. It used to be that we had at times to keep them down there nine months in the year. Now we have a regular system of relief. These patrol vessels also include vessels that are on the Asiatic station. I should like to run down the names of the patrol vessels. They are the *Cleveland*, the *Denver*, *Tacoma*, *Galveston*, *Albany*, *Dolphin*.

Mr. KELLEY. Where are they stationed?

Admiral COONTZ. The *Wilmington*, the *Monocacy*, the *Helena*, and the *Palos* are in Chinese rivers.

Mr. KELLEY. They are larger ships than destroyers. The *Wilmington* carries 173 men.

Admiral COONTZ. The *Wilmington* is a flagship.

Mr. KELLEY. The *Helena* carries 770 men.

Admiral COONTZ. The *Wilmington* and the *Helena* each carried 230 at that time, including the marines.

Mr. KELLEY. What about the *Monocacy* and the *Palos*?

Admiral COONTZ. They are specially built gunboats to go up the Chinese rivers.

Mr. KELLEY. They have 51 and 47 men, respectively.

Admiral COONTZ. The *New Orleans* and the *Albany* are on the Chinese station. The *Chattanooga* is at Constantinople.

Mr. KELLEY. The *New Orleans*, I see, carries 360 men.

Admiral COONTZ. It is a pretty good-sized craft. We have only three vessels of any size in China, the *New Orleans*, the *Albany*, and the *Huron*. We got the *New Orleans* from Great Britain in 1898 when the Spanish war broke out. But all these vessels listed are used as patrol craft.

Mr. KELLEY. The patrol vessels are stationed off the coast of Mexico and in the Far East?

Admiral COONTZ. They are in the Bosphorus, on the Mexican and Central American coasts, and in Chinese waters. Most of them are in the Latin-American or special-service squadron.

Mr. KELLEY. Have you looked carefully into the necessity for these tugs that are in use in the Navy?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Have you looked into the number of them, the amount of expense they occasion, and whether or not they can not be reduced? You seem to have a superabundance of tugs.

Admiral COONTZ. Yes, sir; we have reduced them, and in the past week we attempted another reduction, in connection with Admiral Washington, and simply said we had to cut down.

Mr. KELLEY. How many tugs and yachts and little vessels of that kind have you in commission?

Admiral COONTZ. There are not many yachts in commission, because they are all about sold. I have a list of them here.

Mr. KELLEY. Let us have the information.

Admiral COONTZ. There are 30 seagoing tugs, 60 harbor tugs, 60 subchasers, and 35 miscellaneous craft; 185 in all.

SALE OF SUBCHASERS.

The subchasers are nearly all for sale. I am glad to say that recently we have been able to have better luck selling them than for some time past. Up to the present time, their registry as seagoing vessels is being disputed. They are seagoing vessels and have crossed the ocean.

Mr. AYRES. Who are you selling them to?

Admiral COONTZ. We are selling them to various commercial people throughout the country and some of them to foreign countries. We hope to get rid of all of them. We revalued a number of vessels two weeks ago, and the Secretary has given orders to sell them all. We have sold about \$5,500,000 worth of them within the past year, and I just cited a case a few days ago where we had a vessel advertised a year without any bidders. All of a sudden a man came and gave us \$130,000, about what it was appraised at.

Mr. AYRES. You think you will get rid of all the tugs?

Admiral COONTZ. I think we will get rid of all of the yachts and subchasers—those vessels which are offered for sale now on a non-military basis.

Mr. KELLEY. Is it true that the subchasers use 60 gallons of gasoline an hour?

Admiral COONTZ. I should not think so.

Mr. KELLEY. How much do they use?

Capt. FREEMAN. That 60-gallon consumption is with all the engines going at full speed, but the commercial people do not use them that way. They use them with only one of the engines in operation. There are three engines in the vessels. They can pull out one engine or pull out a second engine and still have the vessel running.

Mr. KELLEY. How many subchasers are operating now?

Admiral COONTZ. I should say, roughly, about 60 altogether.

Mr. KELLEY. Is it necessary to keep those?

Admiral COONTZ. Yes, sir; we utilize other vessels in many cases, tugs, etc. I could give you an instance of last year.

Mr. KELLEY. The harbors are full of tugs, apparently. Where did you get all of your tugs? Certainly you do not need any more tugs.

Admiral COONTZ. Part in the fleet and part accumulated during the war.

Mr. KELLEY. A good part.

Admiral COONTZ. I should say that possibly half of them, roughly, were built during the war. You take submarine chasers and we have been called on the past two seasons to assist in various departments of the Government by common agreements. The Coast Guard could not do it all and the Treasury Department could not do it all. We have had some submarine chasers in Alaska for the summer season and they did the work very successfully. We expect in time to get rid of all the submarine chasers.

Mr. KELLEY. Why not tie them up all at once and thereby immediately lighten the expense? You have hundreds of men on them and the expense is great.

Admiral COONTZ. We utilize them in place of other craft. I do not believe that any of them are in use that have not a very satis-

factory excuse and two weeks ago we figured that it cost us in keeping people on the ships that we have to sell, \$275,000 a year, so we revalued them and we are selling them all.

Mr. AYRES. That is including all those tugs and yachts.

Admiral COONTZ. No; the yachts with a few exceptions will all be sold. Tugs that are worn out will be sold. We are watching this thing every day and selling them and just as soon as we cut them out we take the men off. It is just a steady process day by day and week by week, and the money we turn into the Treasury just as from sales of other things. We sold \$70,000,000 worth of stores this past year with a gain of \$3,000,000 over what they cost the Government.

Mr. KELLEY. I am not speaking so much about not selling them more rapidly, because you undoubtedly are doing the best you can to get rid of them, and I appreciate that they are not very salable craft, but the point I had in mind is whether, pending their sale, you can not stop the enormous cost of operating these sub. chasers and certain other small craft and save repair bills as well. There is a tremendous number of them.

Admiral COONTZ. We practically put no more repairs on them.

Mr. KELLEY. You will find that you have an item in the repair appropriations of two or three million dollars for these little boats.

Mr. AYRES. About how many men does it take to man a submarine chaser?

Admiral COONTZ. Six.

Mr. KELLEY. You have more men aboard than that. No. 177 has 9 men and No. 190 has 24 men on board.

Capt. FREEMAN. There are two in the Near East that have a full complement.

Mr. AYRES. What is the full complement of a submarine chaser?

Capt. FREEMAN. Thirty-seven men is the full complement of a submarine chaser.

Mr. KELLEY. You have many of them with complements of 18, 12, 11, 13, 22, 24, running down to 1 or 2. They take your men from other more essential duties and require a personnel larger than otherwise would be necessary.

Admiral COONTZ. Since that very table you have has been made they have been materially reduced and I sent out an order less than a week ago to come down more and cut more.

Mr. AYRES. Is there such a thing as tieing up these chasers?

Admiral COONTZ. As soon as you tie them up they pretty nearly fall apart and sell for less. They are something we do not want; we want to get rid of them.

Mr. AYRES. You can reduce the number of men it takes to care for them to six and keep them in good condition?

Admiral COONTZ. In satisfactory condition. Of course, if they operate they have got to have more.

Mr. KELLEY. How many of these little boats are stationed around navy yards and other places? Of course, they requisition them through you for use?

Admiral COONTZ. In the case of New York, and the same at Hampton Roads, there is what we call a pool. The commandant of the district has them in his charge. If the magazine up at Iona Island says we have so many lighters of ammunition and would

like to have a tug come, he sends it. If the commandant at the navy yard at New York says we have a battleship to dock or undock, and need four, six, or eight tugs, the district commandant is the umpire who says where those tugs shall go. But if the navy yard at New York City had the tugs, and Iona Island had the tugs, and somebody else had the tugs, it would be different. Now, it is just like one central manager that sends them where they ought to go, and the result is a considerable saving. Sometimes there is a good big craft which it takes about 8 tugs to get to sea so that she does not go aground and gets out safely.

TUGS.

Mr. KELLEY. Have you an excess of tugs?

Admiral COONTZ. I think that our efforts have brought the number down and we are offering any excess for sale.

Captain COLE. We have an excess of tugs. The idea was to sell certain tugs that we built for service on the Lakes because of the fact that they, being built as a war measure, were not suitable for work in the open sea. We have a scarcity of seagoing tugs, as a matter of fact.

Admiral COONTZ. Those vessels tow from coast to coast. They, of course, assist in target practice and handle the vessels at the various docks but, as I say, we are reducing them all the time.

Mr. KELLEY. The thing that impresses one, going through this analysis, is the large number of men required for these small craft.

Admiral COONTZ. The situation regarding that is this: That they were manned largely by civilians.

Mr. KELLEY. We did not have them before the war.

Admiral COONTZ. We had tugs at every station.

Mr. KELLEY. In no such number as you have now.

Admiral COONTZ. In no such numbers as you have now, but we did not have a navy like we have now.

Mr. KELLEY. The navy that we have now exceeds the prewar strength by tugs and Eagles and submarine chasers and all that sort of craft, and, except for the destroyers and the submarines—they are about all, are they not—the Navy is about the same as before the war?

Admiral COONTZ. Well, there is aviation.

Mr. KELLEY. Which uses about 4,000 men.

Admiral COONTZ. And there are the mine laying and the big capital ships.

Mr. KELLEY. You have put out of commission as much as you have taken in in that line.

Admiral COONTZ. Those have come in, and if you will divide this number of tugs by the number of navy yards and stations you get a pretty small average. If you start out with Portsmouth, Boston, New York, New London, etc., you come down quite a lot.

Mr. KELLEY. You have 549 men assigned to these little submarine chasers and you have 1,867 men on the Eagles—about 2,500 men right there on ships that are of no military value.

Admiral COONTZ. No.

Mr. KELLEY. Is it not possible to get rid of them and save the use of men in that way?

Admiral COONTZ. We expect, of course, to reduce those submarine chasers.

Mr. KELLEY. Of course, as long as you think they are convenient because they are small, there is the temptation for any person in the navy yards to take one of these little vessels and use it.

Admiral COONTZ. I admit that there is a temptation, but here is the other side. If you take our men off of them we have got to man them with civilians.

Mr. KELLEY. Suppose you put a fewer number of men on them and tie them up.

Admiral COONTZ. I intend fewer uses for the submarine chasers. We propose to practically exterminate them as fast as we can and as fast as we can sell them. A number of them serve useful purposes now in the way of all sorts of work in those various yards and districts. For instance, at Puget Sound, we took a yacht called the *Yankee* and sold her and we took her duties and gave them to submarine chasers, and so on. All these vessels may sound like there are a large number of them, but think of the large number of places we have got. Starting with the Virgin Islands, you have got to have some little boat down there for use in going between the islands. Then there is Guantanamo.

Mr. KELLEY. We had all of those places before the war, but we did not have any of this class of vessels. Here you are proposing to use 50 or 60 Eagles, and how many submarine chasers?

Admiral COONTZ. Sixty-six.

Mr. KELLEY. There are 125 or 130 craft, just of those two classes, all in use, and we managed without them for all those places before.

Admiral COONTZ. Those places have grown in number. Their growth has been like the growth of the Navy. It has come up.

Mr. KELLEY. Don't you think that, to get those little craft out of use, you will have to employ good strong-arm methods and take them out?

Admiral COONTZ. I think that the strong-arm method is in use by Admiral Washington and myself, and we are driving them out.

Mr. KELLEY. If the number of men were curtailed, would not that help you some?

Admiral COONTZ. I would not say that it would, because we are doing it all the time, and we are selling them and helping out along those lines. You know, in places like the Virgin Islands and Guantanamo, Samoa, and Guam, every one of them has got to have some little craft like that to get on.

NOTE ON MEN REQUIRED FOR DISTRICT DRAFT.

The small craft employed in connection with the Navy's shore activities, consisting of tugs, submarine chasers, and various miscellaneous minor craft, are, for convenience sake, given a group designation of "district craft." They have been assigned a tentative allowance of personnel numbering 2,600. The self-propelled craft employed at the various yards and stations number about 200 for all purposes, and are actually manned, according to latest reports (Dec. 31, 1920), by 2,312 men.

Many of these craft, especially those at navy yards, could perform their duties equally well, if manned by civilian personnel, and such personnel was largely used before the war. It will be noted that the total personnel so employed is not large. It forms a part of the 14,344 men assigned to shore activities, exclusive of those assigned to aviation and radio activities. Our figures on the British naval establishment indicate that the British Navy employs 16,200 men in similar activities.

EAGLE BOATS.

Mr. KELLEY. Let us consider the Eagle boats, on which you have 1,867 men. Is not that an unnecessary loss in men?

Admiral COONTZ. We have on our table 42 Eagles with the total men to maintain them in reduced commission 693.

Mr. KELLEY. This letter from which I have taken the figures was written by the Navy Department on the 18th of December and gives the number of Eagles by name and number of men on each one and the number of men aggregate 1,867.

Mr. AYRES. There is a discrepancy between 1,800 and 600.

Admiral COONTZ. That includes the men at air stations and other stations of that character who had their accounts carried on those vessels for pay. Our table for the Eagles is 693.

Mr. KELLEY. It gives the names of the Eagles and the personnel for each.

Admiral COONTZ. But a part of those are with the aviation forces, I take it.

Mr. KELLEY. It does not matter what service they are in, considering the number of men on board.

Admiral COONTZ. Those boats keep their accounts and they draw their pay from them.

Mr. AYRES. That means men ashore and in aviation, etc.

Admiral COONTZ. Whoever draw their pay from them.

Mr. AYRES. You mean that some of the men in aviation are carried on the pay roll of the ships?

Admiral COONTZ. They surely are if there is any question like that.

Mr. KELLEY. Are there more than 4,030 men now assigned to aviation?

Admiral COONTZ. Aviation, partly afloat; in all, there are 6,030 assigned.

Mr. KELLEY. Are these men that are carried on these Eagles carried on the pay rolls of the Eagles?

Admiral COONTZ. Because those Eagles are probably stationed at places where there is no particular place to pay them, or else the Eagles are operated with aviation. They are aviation tenders at those places.

Mr. KELLEY. I notice that *Eagle No. 31*, in reserve, has 350 men aboard. What does that mean?

Admiral COONTZ. That is the whole Coco Solo complement of submarines. There is a submarine tender at Coco Solo and she carries the accounts of these men.

Mr. AYRES. That is the entire force at Coco Solo?

Capt. FREEMAN. Yes, sir.

Mr. KELLEY. These really would be in the submarine service.

Capt. FREEMAN. Yes, sir.

Mr. KELLEY. And *Eagle No. 17* has 405 men assigned to her.

Capt. FREEMAN. That is at Hampton Roads, the submarine base at Hampton Roads.

Mr. KELLEY. All the submarine men are carried on the Eagle's roll?

Capt. FREEMAN. All the shore men. That is the shore-based submarine tender. It shows in your other list on item 7, page 11.

Mr. KELLEY. Then of the ships that are afloat and in use as tenders, only about 600 men actually are on the Eagles?

Admiral COONTZ. 693.

Mr. KELLEY. With all the shore facilities at Hampton Roads, why is it more convenient to have these men attached to these ships?

Capt. FREEMAN. That is the way the shore-based submarines are operated all the way through. The men on duty at the shore bases which are used for submarine tenders are attached to a ship for the purpose of pay. Instead of having floating tenders they have facilities on shore similar to those on a properly equipped tender, and those men are borne on the books of the particular vessel attached to that station, the vessel itself serving only a limited number of the men assigned to her for purposes of pay, etc.

Mr. KELLEY. The ship being so small and the crew so small, they consolidate a number into one organization so that it will take one paymaster to handle them all.

Capt. FREEMAN. That is the idea. The Eagles that are used with submarines are operated with 25 men apiece.

Mr. KELLEY. Then, this information that has been supplied me is very misleading.

Capt. FREEMAN. It was not intended to be misleading. If it is fully explained I think you will thoroughly understand it. The aviation men ashore and the submarine men ashore who belong to these services for attending the submarines and the aircraft are borne on the books of the ships which are at those stations for the purpose of attending the vessels when they operate from the shore base, and unless that is analyzed it is misleading on paper.

Mr. KELLEY. Then, if you have a certain number of men in your list as being assigned to aviation, does that number include aviation men carried on vessels for pay or other purposes?

Admiral COONTZ. It does include those figures, plus the men actually assigned to aircraft.

Mr. AYRES. Do you account for those men in two different places?

Admiral COONTZ. We do not account for them twice.

Mr. KELLEY. In your list you have 4,000 men as being required for aviation.

Mr. AYRES. It should be six thousand and odd.

Mr. KELLEY. You have other types than subchasers employed as submarine tenders?

Capt. FREEMAN. In certain cases. In certain of the shore stations, as at Coco Solo we have an Eagle as a tender. At Hampton Roads we have an Eagle for a tender. At Hawaii we have the *Chicago*.

Mr. KELLEY. In this item of submarine tenders you have included all the men that are attached to the Eagles at Hampton Roads and Coco Solo employed at submarine tenders?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And they will not appear in the other item of 131 submarines requiring 3,851 men, thereby duplicating?

Capt. FREEMAN. They will not.

Mr. KELLEY. Are you certain of that?

Capt. FREEMAN. I am certain of that.

Admiral COONTZ. The aviation in all had 6,030 assigned.

Mr. KELLEY. I just wish to be sure your attention was called to this point because there might be a duplication.

Admiral COONTZ. Yes.

Mr. KELLEY. How many Eagles are in commission?

Capt. FREEMAN. The Eagles in commission are 15, with men on board.

Mr. KELLEY. If the number of submarines were reduced, would the number of submarine tenders be reduced?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And if the number of destroyers were reduced, the number of destroyer tenders would come down some?

Admiral COONTZ. Let me think about that for a moment. The *Panther* would go out, and the Hampton Roads submarine tender also would go out if we reduced.

COMPLETION OF VESSELS UNDER CONSTRUCTION.

Mr. KELLEY. In your estimate for 1921 you include the complement for two battleships of the 1916 program?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Will they be ready in 1921?

Admiral COONTZ. Yes, sir. The *California* will be ready this year, and the *Colorado* is the next one.

Mr. KELLEY. The *Colorado* is not due until February, 1922.

Admiral COONTZ. We do not even count on that date.

Capt. FREEMAN. Not until the end of the fiscal year. She should be ready in June, 1922.

Admiral COONTZ. We certainly expect the *California* in and hope the other two will come along. If our money is going to be cut down like possibly the building-program money, there will be a corresponding delay.

Mr. KELLEY. I presume that those that are so near finished would not be delayed much.

Admiral COONTZ. We would hope that they would not be delayed much.

Mr. KELLEY. The *Colorado* should come out.

Admiral COONTZ. Provided you could suddenly get your men. These new ships are coming along, and their crews, trained on other craft, are gotten together and all ready.

Mr. KELLEY. If she should become ready for commissioning you would probably commission her at the expense of some other craft?

Admiral COONTZ. It is our plan to do that. What we actually expect are scouts 1 to 10, the *Maryland*, the *Dobbin*, and the *Colorado*. We assume in order to obtain personnel for the above vessels and expansion of 2,000 men for aviation that we will have to place some out of commission, such as the *El Cano*, the *Pampango*, the *Quirós*, the *Villalobos*, the *Columbia*, the *Minneapolis*, the *Brooklyn*, the *Rochester*, the *Baltimore*, the *San Francisco*, the *Charlotte*, the *Missoula*, the *Seattle*, the *Frederick*, the *Kansas*, the *New Hampshire*, the *Michigan*, and the *South Carolina*, and that those are to go out of commission and most of them never to come in again, but to be sold.

Mr. KELLEY. Some of those are not due until April, 1922, and one, I notice, not until July, 1922.

ENLISTED PERSONNEL REQUIREMENTS.

Your plan is to place out of commission a sufficient number of vessels to provide the necessary personnel for such as may be completed?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. So that can be disregarded?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Coming back to the Eagles and subchasers once more, we can practically eliminate them in considering your enlisted personnel requirements?

Admiral COONTZ. We can to a certain extent. There are some of the subchasers that we can not.

Mr. KELLEY. Why not make a good swift decision on that and get rid of those two classes of ships—

Admiral COONTZ (interposing). You can not make a decision.

Mr. KELLEY. Because there are so many other boats available?

Admiral COONTZ. We will suppose that you start to do that, and immediately we start on some of the old craft we have got and we will have to spend money for repairs. We never spend a dollar on a subchaser.

Mr. KELLEY. You will find in your estimate for repairs that every ship you have got in commission has been calculated for just what it will cost to keep it up—\$2,000,000 or \$3,000,000 in all.

Admiral COONTZ. It will be impossible at one stroke to do that, Mr. Kelley, but I assure you that I am in thorough sympathy with getting rid of all possible subchasers and Eagle boats that we possibly can.

Mr. KELLEY. Have you made an analysis lately of the ships that you have in commission or ask to have kept in commission which will require about 93,000 men?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Compared with the ships that you had in commission in 1916?

Admiral COONTZ. No, sir.

Mr. KELLEY. Take the battleships—on July 1, 1916, you had 20 of the first line and second line in commission.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. How many of the first and second line do you plan to have in commission with 93,000 men?

Admiral COONTZ. We would have 19 first line and in all 3 of the second line.

Mr. KELLEY. That is 22 battleships.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. So in number of battleships you are not much better off with 93,000 men than you were with 48,000 in 1916?

Admiral COONTZ. No, sir.

Mr. KELLEY. As to armored cruisers and cruisers of the first, second, and third class—I suppose those are all the cruisers we had in 1916 and all we have now—about 16 altogether.

Admiral COONTZ. Yes; that is all we had in commission at that time.

Mr. KELLEY. We have not increased our cruiser force since the war?

Capt. FREEMAN. The estimates are based on the completion of the 10 scout cruisers.

Mr. KELLEY. But these older ones will be put out as the new ones come along.

Capt. FREEMAN. We will put out the older cruisers as we obtain the new ones.

Mr. KELLEY. So that the cruiser strength with 93,000 men will be just about exactly the same as your cruiser strength when you had 50,000.

Admiral COONTZ. Yes, sir; except the vast difference in the aggregate of the cruisers.

Mr. KELLEY. They are the same cruisers. You have not the new ones yet.

Admiral COONTZ. But they are accounted for in this table.

Mr. KELLEY. And when they are commissioned these older ones will drop out.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. The same procedure would be followed as to battleships.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. The heavier ships would possibly require 100 or 200 more men each.

Admiral COONTZ. Yes, sir; all of that number.

Mr. KELLEY. Generally speaking, the number of men required would not be greatly different in either case.

Admiral COONTZ. Not very greatly.

Mr. KELLEY. In 1916 you had 36 destroyers in full commission.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And now you have 36 in commission.

Admiral COONTZ. No.

Mr. KELLEY. Eighteen with each of the major fleets.

Admiral COONTZ. We have got about 30 in Europe and some in China; 64 altogether.

Mr. KELLEY. The potential power of your destroyers has been very greatly increased?

Admiral COONTZ. Very greatly.

Mr. KELLEY. You have a very large number more?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. That is really the first place where we see any particular difference in the number of men required now over 1916.

Admiral COONTZ. Not very much difference.

Mr. KELLEY. The number of those to be kept in commission might vary without in any way interfering with the keeping in commission of the larger ships?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. That is to say, you will keep the large ships in commission even though you had to reduce the number of destroyers. You would have to do that, would you not?

Admiral COONTZ. We would not keep all of the large ships in commission, even if we had to drop some of the battleships.

Mr. KELLEY. If you are keeping 20 battleships in commission now when you have 250 destroyers completed, you certainly would keep 20 battleships in commission next year, would you not?

Admiral COONTZ. No: if we are cutting down in destroyers we would naturally cut down on some of the older battleships. If we are cutting down on men we would make a recast and we have planned out, as you suggested, how we will do it if we have to do it.

Mr. KELLEY. In 1916 we had 39 submarines and now we have a very much larger number, about 100.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. The total number of ships in full commission in 1916 was 284. What is your total number now, when the backbone practically is the same?

Admiral COONTZ. Five hundred and ninety-six.

Mr. KELLEY. So, even after allowing for your destroyers, Admiral, and your submarines—that is, the large number of additional destroyers and submarines that have come in—it is apparent that, as compared with 1916, you have a vast fleet of minor craft that eat up men, and your military strength remains about the same.

Admiral COONTZ. I would not state that we have a vast one if we except the destroyers and submarines.

Mr. KELLEY. It would be considerable.

Admiral COONTZ. If you had destroyers, submarines, and mine-force vessels, subtracted from 596, you will find it not very much.

Mr. KELLEY. You are not keeping in full commission the submarines.

What impresses me by analyzing this is there is what seems to be a vast scattering of small craft all over the world which you did not have before the war and it would seem that you are bent on keeping them although they do not really give your Navy any additional fighting strength, outside of the additional destroyers and submarines.

Admiral COONTZ. Look at it this way. Suppose you had a number of men on battleships and a number of men on cruisers, particularly these new cruisers.

Mr. KELLEY. You have not got them yet.

Admiral COONTZ. No; but we have arranged for it and they are coming. Suppose we had the men on destroyers, mine force vessels, and submarines. The rest is a very small quantity. I will admit that I would like to get rid of all the subchasers, that we will slowly and surely get rid of all the Eagle boats, but it has got to be with some economy for the Government, as they come down, and also, Mr. Kelley, suppose we put all these destroyers out of commission, you see how they will go down hill.

I see what a wonderful asset it is and we feel that they are assets, the destroyers and submarines, from the lessons of the war. We have small craft and lots of them and there are a great many of them that the Navy itself would like to get rid of, but for reasons of state, for economical reasons, and so on we have got to keep them. The vessels on the Asiatic station are largely of nonmilitary value. The tugs at Samoa and Pearl Harbor and outlying stations are of non-military value and might be cut out. We will gradually withdraw our vessels from the European station, but we can not withdraw yet. Think how small are the numbers of men on these Eagles when you consider the real things of military value that I mention and add the mine sweepers and others. They came down very materially upon analysis.

Mr. KELLEY. We were discussing before lunch the comparison of the ships in commission now with the ships that we had in commission in 1916, and the relative number of men on those two dates.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. I notice from the information I have obtained from the department that the total number of men afloat January 1, 1916, was 43,528. As I recollect, at that time we had quite a large number

of predreadnaughts that we kept in reserve with about 60 per cent of the regular complement aboard.

Admiral COONTZ. That is in what year?

CAPITAL SHIPS IN COMMISSION.

Mr. KELLEY. Just before the war. We had 9 of the first line—the dreadnaught type, and 11 of the second line. That would be 20, and then of the second line vessels there were 12 in reserve and 3 out of commission. Now, those 12 in reserve, as I recollect it, had about 60 per cent complement.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. In making your plans, how do you handle the battleships in reserve?

Admiral COONTZ. We propose to have 19 battleships first line in commission, one experimental ship to be designated, and two battleships second line, 600 men each, all the other predreadnaughts to be gradually disposed of as they pass their day of usefulness. In other words, that after this summer's cruise of the midshipmen, which will be taken on the *Connecticut*, the *Michigan*, the *South Carolina*, the *Kansas*, the *New Hampshire*, and *Minnesota*, those vessels go out of commission for good and will not be used again, except in case of war.

Mr. KELLEY. What provision are you making for keeping them in condition so that they could be used in case of war?

Admiral COONTZ. When they are laid up out of commission we expect those six ships to be ready, with a few minor repairs, for possible usefulness for a few years and then sold because they have been replaced by ships in the battle line.

Mr. KELLEY. How many men will it take to keep them in shape?

Admiral COONTZ. None; that is, enlisted men.

Mr. KELLEY. How can you do that?

Admiral COONTZ. When a ship goes out of commission it has only civilian ship keepers on board. Its machinery is all white-leaded. Its stores are placed in store, and it is just there, without any cost, except the ship keepers. They will not have any enlisted men.

Mr. KELLEY. How long would it take you to put a ship like that in condition fit for war?

Admiral COONTZ. It might take 15 or 20 days. It might take a month. I have seen it done quicker in war times.

Capt. COLE. Three months after that it would be in condition to fight.

Mr. KELLEY. Then, if the machinery is white-leaded and put into condition so that it will not rust, the ship can be kept in pretty fair condition for a length of time without the expense of putting men on it?

Admiral COONTZ. The large ships.

Capt. COLE. It means the expenditure of a considerable amount of money for things that deteriorate.

Mr. KELLEY. It would take a month to put a ship so preserved in commission?

Capt. COLE. Yes, sir.

Admiral COONTZ. I will give you an example in the Spanish War. I was ordered to the *Charleston* at Mare Island, and she went into commission on the 5th of May. We sailed from there to the Philippines on the 22d of the month, and a month from the 22d we were ready for business and captured the first Spanish unit, but we drilled day and night and whipped the men into shape, and even then had a number of men fresh from the cornfields in California.

Mr. KELLEY. It is your idea that in a year or two not to have any ships in full commission, except the dreadnaught class, and that a part of those will be gradually put out of commission as your 1916 program comes in?

Admiral COONTZ. You mean as regards battleships?

Mr. KELLEY. I mean battleships.

Admiral COONTZ. Yes, sir; the rest of them will have passed their day of usefulness and there is no use of keeping the repairs up on them. In other words, our scheme is to let every ship of nonmilitary value, as fast as we can safely, to let it go and quit spending money on it for repairs, and sell or otherwise dispose of such ships. Some of them have been turned into oil tankers.

Mr. KELLEY. And you will do the same with the old cruisers as soon as you get the 10 scout cruisers?

Admiral COONTZ. Yes, sir; we would probably have to hold three of them for flagships on foreign stations, one in Europe and one in China, and the third one is the *Olympia*, which has seen her best days and will probably be brought home and made an historic vessel, but at present she is our flagship in the Adriatic, as old as she is.

Mr. KELLEY. So that really what you are headed toward is the new program of capital ships, battle cruisers, scout cruisers, and the new destroyers and submarines, placing everything else out of commission?

Admiral COONTZ. Everything old and of nonmilitary value. Of course, this does not take in aviation needs.

Mr. KELLEY. No.

Admiral COONTZ. That means also that this special-service squadron will be composed of these old cruisers. They can go into Mexican, West Indian, and various other ports where needed.

Mr. KELLEY. I was interested in running back through the hearings of 1917. Admiral Palmer was then at the head of the Bureau of Navigation, and he prepared a table, which I find on page 601 of the hearings of that year, entitled "Preliminary estimate of the personnel required for mobilization plan when the 1916 program should be completed."

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And he calculated that it would take with the three-year program completed, understand, 99,809 regulars and 45,870 reserves, figuring on the use of reserves during the summer if it were desired to have a general mobilization of the entire fleet, making a total of about 143,000 men for mobilization.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And in that table he provides for putting into commission for mobilization practically everything that was then in the Navy, and that would be added under this program.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. That is all these battleships that you are putting out of commission?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. He was contemplating doing the whole thing with about as many men as you are asking for with none of the capital ships completed.

Admiral COONTZ. Did he have aviation in there?

Mr. KELLEY. No; we have allowed 6,000 for aviation and a thousand or so for radio activities.

Admiral COONTZ. Now, I will tell you the difference between 1917 and 1919. In 1918 the same gentleman told you that it took to run the Navy that year 218,920 men, did he not? One year later he said that to run the Navy—from your records I can quote the page at any time—that it would take such a number. The difference between 1917 and the present situation is this: We have had a great big World War. We found out what it means to have a rounded-out fleet.

We found out that for our purposes we need 6,000 in the aviation; we found out that there is a great big need in mine sweepers and everything of that character, and we have had at present to put on a great many craft bluejackets where civilians were doing duty, because there is not any money for the civilians, so that we can put them on. If we can replace bluejackets with civilians on tugs and things of that character all well and good. We have had 6,000 men added for aviation, and then a reserve of nearly 400,000 that were legislated for, and we could not help but carry them along. Congress did not know what the result of the reserve force legislation would be and we did not know it. We have got to train the reservists for the Eagle boats and subchasers and craft of that character; that is where we train them. At that time—1916—the Chief of the Bureau of Navigation counted on having trained men ready at hand, and we have not got them to-day. That table can be analyzed, I have no doubt, and explained. We have got to round out our fleet, the auxiliaries and other craft, for instance, like England, and therefore my judgment is for more destroyers and more submarines in commission for safety.

Mr. KELLEY. You see, Admiral, there is quite a wide discrepancy there. How many men do you think it would take to mobilize the Navy right now, with the 1916 program added?

Admiral COONTZ. To mobilize the Navy I think we have figured it out.

Capt. FREEMAN. About 350,000.

Mr. KELLEY. Admiral Palmer was a poor guesser with a guess of 150,000 men.

Admiral COONTZ. No; that was with his lights as he saw it then. It was before we had entered and actually experienced the World War.

Mr. KELLEY. He had all these ships that were authorized at that time, including destroyers and submarines?

Admiral COONTZ. No; destroyers had not come in then. This would be submarines and Eagle boats and aviation, mine sweepers; and another fact that now we have in Haiti and Santo Domingo and various places a number of men to be looked out for and supplies carried, and we make our plans in harmony with that.

Mr. KELLEY. What is the reason that you have estimated for all of these items now and did not figure them four years ago?

Admiral COONTZ. Because four years ago we were not sending oil tankers to Europe to save money, and we were not carrying oil from Port Arthur, Tex., to the various refineries. We were burning coal and going to outside docks to buy it, and we had no Santo Domingo going on and no Haiti, and any number of interests of that sort. At that time certain powers had not developed into world powers. We had not put our position clearly as regards the Hawaiian Islands.

The whole face of the earth and everything else has changed in three years and a half. We did not know as much as we know about what was needed in a rounded-out fleet. We did not contemplate trying out these various schemes with destroyers, of scouting and of screening and all these lessons that we have since learned.

Mr. KELLEY. Where are the old battleships kept now, at Philadelphia?

Admiral COONTZ. Of the old battleships, one has just gone to Samoa to straighten out the affairs there. One is at Habana, Cuba, with Gen. Crowder, and the *New Hampshire* has been in Haiti. There are a number of them out of commission at Mare Island, and there are three at Philadelphia—the *Connecticut*, the *South Carolina*, and the *Michigan*—which will shortly go south to train some of these recruits preparatory to helping carry the 2,000 midshipmen on their summer cruise. After that, practically all of those battleships, that is their last.

ENLISTED PERSONNEL REQUIREMENTS.

Mr. KELLEY. Here is one interesting statement of Admiral Palmer's. In talking about fixing the strength of the Navy, back there in 1917, I asked this question:

Do you not think that we should do it at this time and not after the great war is over?

Admiral PALMER. I made the estimate for that condition.

Now, skipping a little, I asked what men we would require for a new building program. The total then with the 3 per cent sick, required by July 1, 1921, was 96,775 men. Admiral Palmer stated that "last year we had 53,000 and in the Chief of the Bureau of Navigation's report last year he called for a total of 11,827 additional. The men required additional for the new program amount to 29,127."

Admiral COONTZ. That is perfectly easily conceivable. The conditions have absolutely changed since that time.

Mr. KELLEY. You are asking for 143,000 men and you have not your 1916 program at all yet.

Admiral COONTZ. No.

Mr. KELLEY. You are asking for 50,000 more men than what he said would be necessary after you got this great 1916 program.

Admiral COONTZ. We asked for 44,000. He said 99,000.

Mr. KELLEY. He said 96,000.

Admiral COONTZ. Did he mean afloat or ashore?

Mr. KELLEY. The total number with a 3 per cent allowance for sick added.

Admiral COONTZ. Was that afloat or ashore?

Mr. KELLEY. Everything; 96,775 men.

Admiral COONTZ. We asked for 95,000 to man the ships.

Mr. KELLEY. Admiral Palmer's estimate took into account every ship in the Navy, including the 1916 program, and including an allowance of 3.6 per cent on account of sick; called for 99,809 men, exclusive of any working surplus, which he estimated at 5 per cent.

Admiral COONTZ. All right. We asked for 4,000 less than that.

Mr. KELLEY. That is for the whole thing.

Admiral COONTZ. He gives you his program.

Mr. KELLEY. No; this is for the whole thing, ashore and afloat.

Admiral COONTZ. Does that include aviation?

Mr. KELLEY. No; he does not include any of those things.

Admiral COONTZ. Does he include mine sweepers?

Mr. KELLEY. He includes mine sweepers, battle cruisers, scout forces, with 10 new ones that you have not got yet. He gives 12,380 men for destroyers. That would be about 100 destroyers. Then, he provides for submarine force, 4,823; mine forces, 1,770; train, 3,941; total fleet 73,817 for complete mobilization, exclusive of 25,219 reserves?

Admiral COONTZ. Yes.

Mr. KELLEY. Then he allows for shore stations, 10,318; for fitting out two battleships, one destroyer and two submarines 2,134; and for coast defense forces, 10,633; making a total of 96,902. Then he adds the 3 per cent sick allowance.

Here you are, two good officers of the Navy, both of you good officer, asking for 46,000 more men without the 1916 program at all. How do you expect the civilians to understand and provide the money when such discrepancies exist.

Admiral COONTZ. I can analyze that thing piece by piece and show what has happened and what is the difference up to this date. I can also, as I stated this morning, show you that we have since then changed the reservists from 25,000 to 250,000 and under the law we have got to take care of them.

Mr. KELLEY. I am just trying to get it into my mind where the difference of opinion lies. I understand very well that you have more destroyers and more submarines. That is all that there really is, though, that we did not have in 1916 in the way of fighting ships.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And yet you are asking for 143,000 men to man that fleet, and the new ships are yet to come in.

Admiral COONTZ. The new ships, Mr. Kelley, to start with are replacements. I can show you thousand by thousand where the changes have come on that, starting with aviation at 6,000.

Mr. KELLEY. The officers used to tell us that a battleship was good for from 18 to 20 years.

Admiral COONTZ. Yes; they have been.

Mr. KELLEY. Even ships like the *Michigan* and the *South Carolina* are only 14 years old. You have got them where? Are they in reserve?

Admiral COONTZ. No; they are about to make this cruise that I spoke of.

Mr. KELLEY. They are the last ones in the commissioned list?

Admiral COONTZ. Yes, sir. Let me go a little further and show that.

Mr. KELLEY. Before you go into that, have you changed your views about how old a ship ought to be before you put it into cold storage?

Admiral COONTZ. Yes, sir. We have changed it by their gun power and by the distances they can fire, and we have had to put ships with 12-inch guns in the second line. We have got our range up to 25,000. There are any number of causes for a change in that table. I did not make it and it is largely Navigation's affair, but, as I say, it can be gone over piece by piece. The only remarkable situation about this is the changes in fire control which have come into absolute and final effect in the past three years, and which have practically revolutionized things. It takes about 200 men to a ship to handle that end of it. Aviation has come along and things of that character, and, last but not least, if we had the trained men all ready to jump aboard ship we would not call for 143,000 men, but we have not got them.

We have to have vast numbers at all times in training camps. To get men we have had to have a one-year enlistment, two-year enlistment, three-year enlistment, and four-year enlistment, and in our former table we accounted for 95,000 or 92,000 men aboard ship, whichever it was, and all the rest had had their training. That is one very remarkable situation that has come up since then. For instance, we count on 93,000 afloat, 21,000 under training, and we maintain the 5.5 for replacements because of the short terms of these enlistments.

Mr. KELLEY. Of course, that is largely a matter for the Bureau of Navigation.

Admiral COONTZ. Yes, sir. I simply state that changed conditions have changed that.

Mr. KELLEY. Still, Admiral Palmer was allowing 33,894 men for the battleships. That would allow 33 battleships at 1,000 apiece, or 20 battleships at 1,500 apiece.

Admiral COONTZ. There are two things that I have not touched upon. One is the increase in complements owing to fire control. The second is the large number of destroyers and submarines that we have and which we think should be looked out for and cared for. If, for instance, we put all these destroyers out of commission we promptly wipe out a large number of men. The difference in those tables, in my judgment, lies in destroyers, submarines, and aviation.

Mr. KELLEY. That is very clear. Then, so far as the Navy is concerned, it is not so very different in its needs for men than it was in 1916, outside of aviation or radio stations, submarines, and destroyers.

Admiral COONTZ. Not in its need of trained men.

Mr. KELLEY. Trained men! I say the need for men is not so different. We have not any more of a Navy than we had in 1916, outside of destroyers and submarines.

Admiral COONTZ. Yes, we have.

Mr. KELLEY. What battleships have come in since 1916?

Admiral COONTZ. Well, let us see. There is the *Idaho*, the *Mississippi*, and I do not remember when the *Arizona* came in, in 1917. Let us run on down from there. There is the *Pennsylvania* and the *Tennessee*.

Mr. KELLEY. Maybe five or six altogether.

Admiral COONTZ. I should say, although I am not sure, as to when the *Nevada* and *Oklahoma* came along—

Mr. KELLEY (interposing). The *California* is not in yet.

Admiral COONTZ. In 1916 we did not have a ship in European waters. We have 5,000 men there now.

Mr. KELLEY. I know that, and I appreciate that the needs of the big ships are somewhat different, but I am just calling your attention to the fact that outside of destroyers and submarines and the radio and aviation, the Navy is not so different in its need for men than it was in 1916.

Admiral COONTZ. I would like to just simply state that, for instance, here we have 19 battleships of the first line which are larger ships. I do not remember what we had there, but owing to the great advance in fire control we have had to add about 2,000 men to the complements of the ships.

We have deemed it advisable for reasons of state to keep all these destroyers and submarines going. We were of the belief that we should have 6,000 men for aviation and we are required to keep 5,000 men in Europe where we did not have one man. We are now running transports and things of that character to supply our people in Santo Domingo and Haiti and the Philippines, we are compelled, perforce of lack of money, to keep a number of enlisted men on tugs and things of that character which we did not have to do at that time. It is just taking money out of one pocket and putting it into another, but it has to be done. So that a comparison of this table, with the various changes which have occurred, would show finally that the main difference lay in the requirements as to trained men. When we wound up after the war and let everybody go, except a few that could not get away owing to the character of their enlistments, we had 38,000 men that were trained and all that has occurred in the Navy is that we have since then added about 100,000 men who have got to be trained, so we can only count on 95,000 men aboard ships. If they are all trained and out I say you can cut it down 48,000.

Mr. KELLEY. All that I have included were large ships of the Navy. We had 12 dreadnaughts in 1916 and we have only 17 now, so that the *Mississippi*, the *New Mexico*, the *Idaho*, and the *Tennessee* have come in since then.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Of course, those that have come in require some 5,000 men. But here is a list of 20 ships, nearly all of which you have put out of commission. All but how many?

Capt. FREEMAN. We have seven in commission now.

Mr. KELLEY. No; under your new schedule here, two or three?

Capt. FREEMAN. Three.

Mr. KELLEY. So that you are putting out of commission practically 20 ships that carried a thousand men apiece on them.

Admiral COONTZ. Yes; but you said they were 60 per cent.

Mr. KELLEY. And taking in five that carry 1,200 each.

Admiral COONTZ. You stated they had 60 per cent complements on board.

Mr. KELLEY. Some of them had 60 per cent complements, but my statement still goes, that you had many more men on battleships in 1916 than you have under your plan.

Admiral COONTZ. I do not deny that at all. The real figures indicate that by those losses in battleships we, in the future, must keep those destroyers and submarines going.

Mr. KELLEY. That is what I have been trying to have you admit for a long time—that the only difference between the Navy now and the Navy in 1916 is in the destroyers, the submarines, and aviation.

Admiral COONTZ. And mine layers and possibly a few other things of that kind.

Mr. KELLEY. You do not have to do any more mine laying than you did then.

Admiral COONTZ. We did not know how then. We were like children.

Mr. KELLEY. You do not have to keep 24 mine layers going.

Admiral COONTZ. We, of course, feel that we should have all these 24 for the training of personnel in their uses.

Mr. KELLEY. But it is quite commonly stated that the reason we need so many men—143,000 men—is because we have got a Navy so much greater than formerly, and I want it clearly in the record that the greatness of the Navy over 1916 lies in those particulars which I point out, namely, submarines, destroyers, aviation, and radio.

Admiral COONTZ. I would want to look into that a little deeper; there are additional mine layers and auxiliaries.

Mr. KELLEY. Auxiliaries mean those little ships that we have been talking about this afternoon.

Admiral COONTZ. I would like to look over the hearing and see why the Navy Department gave us 143,000 men.

Mr. KELLEY. For the entire 1916 program.

Admiral COONTZ. I mean for several years past. The committee surely has not been imposed upon.

Mr. KELLEY. Not at all, because during the last few years you have been demobilizing. You had 550,000 men at one time and you have been letting loose of them very gradually. Every man you let go you did so reluctantly.

Admiral COONTZ. I can not say that, Mr. Kelley, because when we got down to 38,000 trained men we were in sore straits, certainly not crowded.

Mr. KELLEY. I remember at one time when 170,000 men took care of what those in authority thought it would not do. But you had then a lot of shore activities, a lot of hangover activity, so what has happened since 1917 it is not a criterion to go by.

Admiral COONTZ. No, sir. If you want to get the absolute facts, take this table and find out why we have the changes which we have given you, and the best reason of all is because we have not the trained men. I think if we can put every man aboard ship, we will man those ships with 95,000 men, but it is impossible when they have to be trained and replaced and things of that character. The very fact that we had only 38,000 trained men might argue it along this line.

Mr. KELLEY. You mean the complements you ask for are larger by reason of the caliber of the men that you have?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. If your men were all trained men you would not need so many?

Admiral COONTZ. No, sir.

Mr. BYRNES. Those men have been taken in during the last year. How long will it take to train them?

Admiral COONTZ. A large number of those men, we will say, roughly, 40,000, have come in, I should say, since the 1st of July, and a great many of them have come in within the last two months, come in like droves, so that we had to stop making great offers and dragging them in. All of a sudden the situation outside in the country has gotten more tense and we have a great demand for enlistments in the Navy now, as you probably have noticed.

Mr. BYRNES. How long will it take to train them?

Admiral COONTZ. In three or four months they ought to be able to come to the front in the lower ratings. Ordinarily, keeping men at a shore training station for four months is usual.

Mr. BYRNES. Then you will have your 90,000 men by July 1, trained men?

Admiral COONTZ. We hope by the 1st of July, except these replacements all the time. You see we had to take some of them for one year, and some of them for two years. The one-year men, out they go.

Mr. KELLEY. Now, this really does not come under you directly, but I suppose you have figured it out, you and Admiral Washington together. We have about 135,000 men in the Navy now.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And only about 8,000 drop out between now and July 1 by reason of expiration of enlistment.

Admiral COONTZ. Plus all those that are to be discharged for inaptitude and those that desert, and so on, of which Admiral Washington could give you the proper figures.

Mr. KELLEY. His figure is that you will have around 115,000 on the 1st of July after making all those deductions.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. So that you will not have any untrained men on the 1st of July at all?

Admiral COONTZ. That would be a pretty strong statement.

Mr. KELLEY. How could you have? You will not take in any more. You have stopped enlisting.

Admiral COONTZ. If we stop enlisting now we would practically have all trained men—that is, in the lowest ratings.

Mr. KELLEY. All trained men—you would have 115,000 who have had training experience of at least four months.

Admiral COONTZ. Yes.

Mr. KELLEY. So the situation is about as you would desire it, is it not?

Admiral COONTZ. No; I would not call it that.

Mr. KELLEY. So if you drop out everybody you find inapt, if you let everybody who wishes to desert go, and if you take into account the expiration of enlistments, with reenlistments you have 115,000 men left on the 1st of July, all trained.

Admiral COONTZ. No. For a man to get into the skilled rating, it takes him about 18 months to get the training. At the stations it takes about four months.

Mr. KELLEY. I do not mean petty officers or seamen; but none will have had less than four months' training.

Admiral COONTZ. All right, give us 115,000 men thoroughly trained on the 1st day of July and all at sea.

Mr. KELLEY. You only ask for 93,000 men at sea.

Admiral COONTZ. You give them to us that way and we have no kick.

Mr. BYRNES. Give 93,000 or 115,000?

Admiral COONTZ. We want to man our ships with 93,000 men.

Mr. KELLEY. You said if they were all trained you would not need that many.

Admiral COONTZ. No; I said if they were all trained men we would not need 143,000.

Mr. BYRNES. That is what he said.

Admiral COONTZ. To man these ships we need 93,000 men.

Mr. KELLEY. You state you would need 93,000 men if they were all trained to man the ships on the basis of 143,000 men for the Navy. How many men would you need on the same basis if they were all trained?

Admiral COONTZ. If they were all trained we would need for the ships, leaving out aviation, 92,907 men; but we did not take into account the men under training. You do not estimate the time spent in schools, where we have 5,000 men, and the people that are afloat on vessels in the districts, or the radio people recruiting people, which you have stopped; and we always have a certain number in hospitals and prisons. The ideal condition you have stated to-day is the Navy entirely afloat with every man out of school. That would last, of course, one day.

Mr. KELLEY. What would be your answer to the question if you had 115,000 men?

Admiral COONTZ. One hundred and fifteen thousand trained men? Why, if we could put them all afloat, all well and good.

Mr. KELLEY. You would have 22,000 men more afloat than you are asking for.

Admiral COONTZ. No.

Mr. KELLEY. 115,000 trained men would give you your 93,000 men afloat and then if you did not have to carry an item of 20,000-odd men there for the training it would be sufficient.

Admiral COONTZ. We will add first to the 93,000 the aviators which are 6,000 and that will bring it up to 99,000 and leaves 15,000. We will have 2,000 in hospitals and prisons which would bring it to 101,000. Suppose we stop recruiting altogether and throw that out. We have 2,000 in radio and communications which you can not stop, which will bring it to 103,000. We have 5,000 in trade schools which would make 108,000 and 5.5 replacements, which would be 7,000 men, making 115,000. Those are what we might add to the 93,000 men.

Mr. KELLEY. You did not quite get the force of the question I asked there, at least. If you had 93,000 men at sea that would leave you 115,000 trained men on the 1st day of July without anybody in the training schools.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. You would be just as well off as you are under this classification which you have given here of 143,000 men with 24,000 men in the training schools.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And a lot more in hospitals and prisons.

Admiral COONTZ. We would be exactly in that condition if we had the trained men.

Mr. KELLEY. Then 115,000 men on the 1st of July with nobody in the training schools is what you desire?

Admiral COONTZ. One hundred and fifteen thousand men, if such a wonderful condition can exist, that they are all properly trained, would be what we are after.

Mr. AYRES. Then what are you going to do when their terms expire?

Admiral COONTZ. That does not count in this assumption. All those have got to be trained; also men in your trade schools, which will always have a certain number; then there are ashore persons who are doing radio communications, and you could not pull them out. We are always going to have aviation and things of that character, and the first new men have got to have people instruct them. You have either got to have men of the naval force or pay some civilian.

Mr. AYRES. Who did they pay?

Admiral COONTZ. They hired a commercial outfit.

Mr. AYRES. Is it not possible that it might be a good solution of the problem to hire a commercial outfit instead of our naval vessels? I notice that you had a military inquiry at Haiti the other day, and that you sent a naval vessel down there with the commissioners.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Would it not have been cheaper to put them on a commercial ship?

Admiral COONTZ. Very much so. I would like to see a congressional committee go on one.

Mr. AYRES. How many made the trip?

Admiral COONTZ. We must have sent about 14, with all the adjuncts.

Mr. AYRES. They went on a transport?

Admiral COONTZ. I do not remember how they went. I think they went on the *Niagara*.

Mr. KELLEY. Is it not quite possible that a careful review of this particular kind of thing, such as the question of sending small freight shipments by Government vessels, will disclose that the cost runs into large sums of money, whereas commercial ships could be employed at a very small cost?

Admiral COONTZ. No, sir; it would naturally be possible in some cases, for instance, to transport our men and our stores to places like Haiti, Porto Rico, and places of that character on merchant vessels which make regular trips. As we operate, however, it is cheaper than by a commercial vessel. A few months ago you could not hire a commercial vessel to do anything.

Mr. KELLEY. We will take up the matter of recruiting and everything of that kind with Admiral Washington.

Admiral COONTZ. Yes, sir.

BRITISH NAVY.

Mr. KELLEY. Just a few questions about the British Navy.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. I have a letter here from Admiral Long, the Director of Naval Intelligence. His report is that the British have in full

commission 16 battleships of the first line and 7 with reserve complements, and that they have 2 battleships of the second line, 1 in reduced complement, and 2 in reserve; that they have 1 battle cruiser with full complement and 1 with reserve complement; that they have 2 first-line cruisers and 1 second-line cruiser and 30 light cruisers.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And then in the second line they have 12 more light cruisers, and that they have 105 destroyers in the first line.

Admiral COONTZ. In commission?

Mr. KELLEY. In commission, and 20 in reduced commission, and 73 with a reserve complement. I suppose they have more destroyers than we have.

Admiral COONTZ. No, sir; I believe we have a little the most, but they are finally going to come out a little ahead.

Capt. FREEMAN. I think we are going ahead.

Mr. KELLEY. The total that Admiral Long gives here is 334 that they have in their Navy and I do not think we have that many.

Capt. FREEMAN. They are counting their older ones which they are going to dispose of.

Mr. KELLEY. Right now how do they stand?

Capt. FREEMAN. They are ahead.

Mr. KELLEY. They have only 105 in the first line and 6 in the second in full commission. If they have 105, why is it necessary for us to have 144, and if they have 73 in the reserve complement, why is it necessary for us to have 153 with 60 men on board?

Admiral COONTZ. Just one sentence will answer that. Of light cruisers she has 40. We have none.

Mr. KELLEY. But we are using all those other craft in the place of those over in the Orient?

Admiral COONTZ. Our destroyers really offset their light cruisers.

Mr. KELLEY. She has only 30 light cruisers.

Admiral COONTZ. But that 30 light cruisers is a mighty fine asset. Light cruisers took part in the battle at Jutland.

Mr. KELLEY. I was coming to that directly. Of submarines she has 41 in the first line and you wish 100. She has 33 in the second line and 8 fleet submarines in the first line and 6 in the second. You are asking here in your report for 138.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. She has a total of but 88 submarines. They have aircraft carriers of the first line, two, and of the second line, two. They have 283 ships in full commission. How many are you asking for?

Admiral COONTZ. We are asking for full commission of 596 including all the tugs and subchasers and everything of that character.

Mr. KELLEY. I presume tugs probably are not included in here.

Mr. BYRNES. Do they include such craft in that statement you have?

Admiral COONTZ. I have not here any data on that.

Mr. BYRNES. I do not suppose they have any sub chasers, have they?

Admiral COONTZ. No, sir; not on that list.

Mr. AYRES. They do not have any light craft or anything of that kind?

Admiral COONTZ. Their light craft are manned by sailors in civilian clothes in many cases.

Mr. AYRES. Not included in this statement there at all?

Admiral COONTZ. I do not find any tugs or an auxiliaries there. There are not any in there, are there, Mr. Kelley?

Mr. KELLEY. I am just giving what the admiral sent up. He reports on December 21 that on April 1, 1920, which is the latest date, apparently, Great Britain had 105,287 men: on April 20 Italy had 26,889; on July 1 France had 56,500 men; and that on July 1, 1920, Japan had 70,260 men. Japan on January 1, 1917, had 33,674 reserves. That is a long way back, but I suppose they are the same kind of reserves we had.

Admiral COONTZ. I take it so.

Mr. KELLEY. And Great Britain had 36,869 reserves on April 1, 1920.

Mr. BYRNES. Is that a fairly comparative statement with the number of men that our Navy has or has Great Britain any considerable number of sailor men manning smaller ships not wearing the uniform, as you have referred to?

Admiral COONTZ. Our information is that not one man in the British Navy is enlisted for less than 12 years. You can see what that means with them in all that time.

Mr. KELLEY. Do you mean that with 105,000 men that they can get along with fewer men than we? Mr. Byrnes was asking you whether or not that number should be increased?

Admiral COONTZ. I want to tell you that they did not have a man that had not been enlisted to serve for 12 years from their own statement. Mr. Kelley has just read a list of ships there without any auxiliaries of any character or any tugs. If you will take out our auxiliaries and tugs and compare them, you will see how the matter stands.

Mr. BYRNES. Does this statement represent only the men who are manning the ships, contained in the statement you previously referred to? I understand it to mean everything in the Navy.

Mr. KELLEY. Every man in the Navy.

Mr. AYRES. I understood the Admiral to say that these small boats like the tugs and chasers and like craft were manned by civilians or by seamen in civilian clothing.

Admiral COONTZ. That is our understanding.

Mr. AYRES. They would not be included in this personnel here?

Admiral COONTZ. I think not.

Mr. KELLEY. Are not a good many of our navy yard tugs and yard craft handled by civilians on the yard pay roll?

Admiral COONTZ. No; and that is what I want to get to. We want to pay civilians and have the bluejackets go to sea.

Mr. KELLEY. Where do you get information that tugs attached to the navy yards of Great Britain are manned by civilians?

Admiral COONTZ. That is just information we can get. I will not state it as a positive fact, as I am not thoroughly familiar with the facts.

After that I want to call your attention to the battle cruisers and the light cruisers.

Mr. KELLEY. You wish to make up in destroyers what they have in light cruisers?

Admiral COONTZ. That is it exactly.

Mr. KELLEY. More than that?

Admiral COONTZ. That is what I am making plans for, destroyers and submarines.

Mr. KELLEY. Your argument is this, that if you had a full list of all the ships that the British have in commission that it would be fairly comparable with the list of our vessels you have given here.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Then, if they get along with 105,000 men for that complete list, why can not you?

Admiral COONTZ. I think they have practically all of the 105,000 afloat. That will come back to the same thing.

Mr. KELLEY. Just to get this straight, I asked Admiral Long to give me the number of men in the Navy of these different countries. I did not wish any misapprehension as to the basis of comparison, and this is what he wrote me:

In compliance with your verbal request of yesterday, I am inclosing a memorandum herewith showing personnel of the four principal navies. In regard to the supplemental request by telephone for classification of the various ships in commission in the various foreign navies, the same is now being compiled and will be forwarded by mail this afternoon.

Then he states that below is the statement of the number of men, regular and reserve, in the four principal navies.

Unless you have some information that supplements that in some way which is well founded any mere information you might have about it would not be based on facts.

Admiral COONTZ. I would like to read from the British naval estimate.

Mr. KELLEY. They are like our estimates.

Mr. BYRNES. That will not do because you might read from our estimates.

Admiral COONTZ. Petty officers, seamen, and so forth, 97,421 at that time.

I would say if you give us 95,000 men that have been in the Navy 12 years—

Mr. KELLEY (interposing). Your point is you are not disputing the number of men but that they are apparently better trained men and that therefore they can get along with fewer men.

Admiral COONTZ. Yes; and I think they are all afloat in sea service.

Mr. KELLEY. You say every one of them. You do not produce any proof to show they are, or any evidence.

Admiral COONTZ. Here it is.

Mr. KELLEY. It does not say they are afloat.

Admiral COONTZ. Sea service; that is afloat.

Mr. KELLEY. When was that bill passed, or are they the estimates?

Capt. FREEMAN. That is the Navy estimate for the year 1920-21 that was passed.

Mr. KELLEY. But they are estimates, not law. You can get our estimates for 1920-21 and you will find that they differ from the actual appropriation.

Mr. BYRNES. The difference is that the Government presents that estimate there. That is the difference with them.

Capt. FREEMAN. This estimate was passed in the spring of 1920.

Mr. AYRES. In other words, they have the budget system there.

Mr. KELLEY. If they have made authorization, they evidently have not enlisted the men.

Admiral COONTZ. I do not know about that.

Mr. KELLEY. Because you have an authorization of 143,000 and they might look at our law and say America has 143,000 men, whereas at one time we did not have but 90,000.

Mr. BYRNES. Of course, that is true.

Admiral COONTZ. That is possible.

Mr. KELLEY. It seems to me that we might well rely upon Admiral Long's information. Unless you can produce some facts I would be willing to accept the statement of Admiral Long.

Admiral COONTZ. Capt. Freeman has a statement in regard to that.

Capt. FREEMAN. We have made the closest study that we could of the men that are actually employed in manning the British Navy.

Mr. KELLEY. What is your information? That is what we want.

Capt. FREEMAN. The best information that we have is from our attachés.

Mr. KELLEY. Why does not Admiral Long have it?

Capt. FREEMAN. Because that information is earlier than the information we now have. We have inquired into this thing.

Mr. KELLEY. Does not Admiral Long have the latest information, if he is Chief of Naval Intelligence? How do you happen to have information that Admiral Long does not have? This was given to me only a week ago.

Capt. FREEMAN. Because we have since inquired verbally of the British officers in this city here. We have sent over and made inquiries from Admiral Niblack and gotten certain information which is now in our possession.

Mr. KELLEY. Don't you think Admiral Long ought to indicate that to the committee if it is any different?

Capt. FREEMAN. He will communicate it as soon as possible. It just came in this morning or yesterday. It is marked the 9th, or rather the 8th; it indicates that the British naval men are all men on their ships, that their shore activities are handled practically entirely by civilians, except a few boys that they have in training.

Mr. KELLEY. We have got 75,000 civilians on our shore activities—the same class of men.

Admiral COONTZ. No; not entirely the same class. In Great Britain there are communications on shore, naturally. Aviation is handled by a separate air service, consequently practically every man that is paid from the British naval appropriation as a seaman is on board a ship.

Mr. KELLEY. Tell us where you get that information.

Capt. FREEMAN. We get it from their naval estimates which have been passed and which appropriate money for men on sea service, and when those men are no longer required on sea service the ship is brought into port and the men are paid off and do not remain on receiving ships.

Mr. KELLEY. Who told you that?

Capt. FREEMAN. The attachés that have been in England and officers in Naval Intelligence who have inquired of the British Naval

attachés here in town and British naval officers abroad. Men who are paid off are either men transferred to another British ship which is in commission or they are actually paid out of the service and do not draw naval pay.

Mr. KELLEY. They are not on the pay roll at all?

Capt. FREEMAN. Not on shore.

Mr. KELLEY. Do you mean to say that you have information that there are no enlisted men detailed to shore duty in Great Britain?

Capt. FREEMAN. No, sir; we have not. There are practically no naval men detailed on shore except the actual number which are shown in their estimates as being on shore for certain purposes. For instance, they show on shore for recruiting something like 69 men. Our reports go to show that is the actual number of men that are on shore engaged in recruiting activities, whereas our records and facts show we have about 1,400. That was at the height of our recruiting. We are rapidly reducing that now.

Admiral COONTZ. What we are after is the exact truth in this matter.

Mr. KELLEY. You are not satisfied that that is the truth, are you?

Capt. FREEMAN. We are not satisfied; we have not the exact facts, but I am giving you the best information at this time.

Admiral COONTZ. The moment we found you had had that report prepared we cabled Admiral Niblack, but have not got the information we require since.

Mr. KELLEY. That should take only the time to get a cablegram to Admiral Niblack as to whether men in the British Navy on shore duty are paid as navy men or as civilians.

Admiral COONTZ. Strange to say, it is not as easy as you think to get that information. We will have it for you. We have not it in hand, but do not believe any of that 97,000 are.

Capt. FREEMAN. We are endeavoring to find out how their hospital men are handled. We have a large number of men in hospitals performing service at our hospitals. We have not yet been able to put our finger on the particular point in the British naval estimates which account for such men. The British naval estimates show that they have 65 officers and men for recruiting duty on shore. I believe that is the total number.

Mr. KELLEY. Sixty-five men for recruiting would mean that recruiting had been suspended entirely.

Capt. FREEMAN. It might mean that they conduct the recruiting through some other officials, such as the post office officials, as we once attempted on a small scale.

STATEMENT ON BRITISH NAVAL ENLISTED PERSONNEL.

The following information, based on information as to the British figures from Admiral Niblack, naval attaché at London, under date of January 11, 1921, compares the United States and British enlisted personnel as of January 1, 1921, the United States figures being based on the latest compiled data:

Character of duty.	United States personnel	British personnel.
Sailgoing vessels ¹	75,636	82,000
Training ²	30,842	4,300
Hospitals ³	2,012	1,200
Recruiting.....	2,019	70
Aviation ⁴	3,444	None
Communications ⁵	1,260	None
Other shore activities.....	11,167	16,930
Coast Guard.....		3,000

¹ Includes marines afloat; no marines are included in shore figures.

² United States figures include 6,572 men at trade schools.

³ Figures include men performing duty connected with administration and service of naval prisons.

⁴ Jan. 1 figure. Now being rapidly reduced.

⁵ British have separate air service, and it is understood that shore communications are in civilian hands. Under any circumstances, such enlisted men as are ashore are fully listed under next to last item, except where otherwise specifically listed.

NOTE.—One feature that affects the figures markedly is the employment by the British of 9,500 marines afloat, who are performing duties similar to those of the bluejacket ratings of our own Navy. The total number of marines afloat in the United States Navy is 1,864.

SUMMARY.

British enlistments are for 12 years as compared with our maximum of 4 years, combined with a large number of 2 and 3-year enlistments. This obligates the United States Navy to provide for a larger turnover of men by means of recruiting and training. It should be noted that the British figures above cited do not include—

Canadian Navy, 4,768 men; Australian Navy, 2,603 men; Royal Indian Marine, not known; New Zealand Navy, not known; South Africa, not known to have a separate force.

Mr. KELLEY. I wish you would find out the exact facts.

Now, I wish to ask you about the organization of the shore stations that you have included. I understand that in the navy yards there is practically the same general setup as to bureaus or divisions that you find in the Navy Department. That is to say, there will be the commandant of the yard over all. That will correspond to the position of the Secretary of the Navy.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And then there will be a department of public works, department of supplies and accounts, engineering, construction and repair, etc., so that there would be in each navy yard a division corresponding with a bureau in the Navy Department.

Admiral COONTZ. Practically.

NAVAL DISTRICTS.

Mr. KELLEY. Now, in the naval districts which cover the entire country, is that same sort of an organization carried out also?

Admiral COONTZ. No, sir.

Mr. KELLEY. Just tell us what is the organization of the naval districts. Take the naval district of New York, for instance.

Admiral COONTZ. There are in all 14 naval districts. In all, except three cases, the commandant of the navy yard stationed in the district is the commandant of the naval district also, and all the activities are carried on in his office. We will take the case of New York City, which has the largest district. The others are Boston and San Francisco. The commandant of the naval district there has charge of the pooling of the tugs and craft afloat. As I endeavored to explain a while back, he has a vast number of activities under his charge there, magazines, down to, in a smaller degree, the navy

yard, and there is a receiving ship now at Bay Ridge. He gets a call from Iona Island for two tugs to handle ammunition; he gets a call from the navy yard for tugs to handle a battleship; he dishes out the tugs, and all the craft in that district are under him. The number of officers of the line are generally limited to five.

Mr. AYRES. How many?

Admiral COONTZ. Five. They also have to look out for the reservists in the district. Suppose the New York district has 37,000 reserves. He has got to keep track of where they are and look out for their training and when they go to sea, etc., and when they drop out and when they change their address, and everything of that character, because every one of those reservists gets at least \$12 a year. Some of them, if they have been confirmed get two months' pay. His principal job outside of reservists is in looking out for the district craft. If he got a call from Penobscot, Me., that they were entirely icebound and wanted some help, the district commandant nearest there would send a tug as he had to do last winter. If we got a call that there was an accident outside of New York Harbor the district commandant would sent craft out there. If we had a flying machine that went adrift on the way anywhere the district commandant would send out for it. The districts have been in existence for about 20 years. They correspond practically with the various lighthouse districts in the States, and with the various Army districts and defense districts.

Mr. KELLEY. Would you have any objection to including in this bill a proviso or limitation to the effect that no money appropriated here should be available for maintaining a naval district separate from the chief navy yard in that district?

Admiral COONTZ. Yes, sir. I believe that it would be uneconomical and it would certainly greatly increase the duties in Washington to no purpose. There are only three separate district commandants and in all other districts the commandants have additional yard or station duties.

Mr. KELLEY. I find here that the estimates include \$944,936 for rent of buildings in the third naval district.

Admiral COONTZ. I do not believe that the stopping of the commandant would make any difference there. Those buildings are not rented for the commandant of the naval district or any of his force.

Mr. KELLEY. Is the organization accommodated in the navy yard?

Admiral COONTZ. It is possible that they are in our supply base. In Boston the offices, to the best of my knowledge, are in the navy yard. At Hampton Roads they are in the operating base. In every other navy yard and station they are in the navy yard, with the fol-

Admiral COONTZ. It is possible that they are in our supply base. in New York. Not one dollar of that, that I know of, would possibly be saved.

Mr. KELLEY. Why in those three cases should they not be consolidated—for example, the Norfolk yard, with the commandant in charge of both? Would it not be more economical and save clerk hire and the passing of letters back and forth? When the naval district officer gets a letter, doesn't he have to send it over to the navy yard to have it answered in a great many cases?

Admiral COONTZ. No, sir; correspondence in that case would go direct. The reason we have had to have those commandants outside

is because one man can not do both jobs. During the war we had a district and we had a navy yard.

Mr. KELLEY. I can readily see that during war it would be advantageous to have separate organizations.

Admiral COONTZ. To such an extent that I had to be relieved by two admirals at Puget Sound.

Mr. KELLEY. There are activities outside of the yard activities that would then require considerable attention.

Admiral COONTZ. Then we threw them all back except New York, Boston, and San Francisco.

Mr. KELLEY. Do you think the activities are still so great that the commandant can not handle them as he did before the war?

Admiral COONTZ. I know they are so great. If he attempted to do it, they would have to come back on us here.

Mr. AYRES. Did they do that before the war?

Admiral COONTZ. They did. The districts did not loom up extensively before the war. We were using them, but not so effectively as now. They came out of the war well organized. If we put the commandant in the navy yard, the few clerks he has would be carried right there and the people handling the accounts would be the same. All the district work in Boston is done in the Boston Navy Yard.

Mr. KELLEY. You say "few clerks." I see there is asked for the clerical expense of those districts \$516,129. That is quite a sum of money.

Admiral COONTZ. Yes, sir; but that is due to the fact that we have the reserves. You have got the reserves whether you do away with the districts or do away with the commandant, or anything else. There is no single activity in a district outside of the commandant and his four or five helpers which would not be there just the same if you attempted to take away the commandants. Where we have the commandant of a district doing other duties, he can do both. In Chicago we do it. We have one man there for the training station and the district, but in places like New York and Boston and San Francisco we have to have the extra men.

Mr. KELLEY. The business seems to be increasing rather than diminishing. You would expect the naval district work to decline. You had for clerical expenses \$516,000 in 1920, \$822,000 is estimated as the expenditure for this year, and next year you are asking for \$923,747 for clerk hire in all of the naval districts.

Admiral COONTZ. We figured that the number for the naval districts as far as the districts themselves are concerned was 803, of which 479 are under communications. We are also pleased to state that communications turns into the United States Treasury about \$2,000,000 a year. The Navy does not get that. It goes into the Treasury.

An analysis of every single item there will show that the activities were in the districts before the separate commandants were there, and, if we absolutely abolish the commandants to-day, those various things would still be there; that the only advantage we have in the extra commandant of these three districts is that he is a coordinator and takes that work off of the chief of operations and the Navy Department. In every part of the United States there are Army districts and areas where you will have a General in one place and

another. You gentlemen are aware we have about 16 lighthouse districts. Ours go alongside with them and all these expenses of which we speak there are utterly independent of the fact that we have districts.

Mr. FRENCH. How are those moneys collected, or from what sources, that you speak of as being turned in—the \$2,000,000?

Admiral COONTZ. I may not have gotten the right amount, but it is pretty big. We are allowed in our radio and communication service to send messages commercially and charge for them. To touch the districts would greatly cripple this work. The fact that we have those three separate offices in Boston, New York, and San Francisco is an absolute economy.

Mr. KELLEY. Is the expense of the naval districts borne out of "Pay, miscellaneous"?

Admiral COONTZ. Yes, sir: the clerks are.

Mr. KELLEY. Do you watch that to see whether or not there is a deficiency growing up?

Admiral COONTZ. Yes, sir; there is not to be any deficiency. We have discharged a large number of people, and there are more of them coming out on the 1st of February.

Mr. KELLEY. I understand there is quite a large deficiency.

Admiral COONTZ. Not in the naval districts. If you read that bill you will find that we were limited to the amount we could spend—at the bottom of last year's bill—"shall not exceed \$1,000,000."

The \$1,450,000 was evidently put in by Communications, or something of that sort.

Mr. KELLEY. That million dollars applies to all clerk hire. It does not limit it to naval districts.

Admiral COONTZ. To clerk hire in navy yards and everything. There will not be one dollar of a deficit in my part of the naval districts, which is a very small amount of them.

Mr. KELLEY. Who has control of the telegraph bills and telephone bills?

Admiral COONTZ. It comes under pay, miscellaneous, and I think those bills are handled entirely by the Assistant Secretary of the Navy.

Mr. KELLEY. Have you had your attention called to the amount of those bills?

Admiral COONTZ. No, sir.

Mr. KELLEY. Is there any general policy laid out as to whether or not orders shall be given now in peace time, by long-distance telephone or telegraph? What regulation have you with respect to this question?

Admiral COONTZ. Yes, sir; whenever it is possible an order is sent out in writing. Long-distance phone will be rarely used, except on some wire that is leased, and we send out a number of orders by our own radio system.

Mr. KELLEY. Under "Pay, miscellaneous," in 1915, the expenses for postage, telephones, telegrams, and cablegrams amounted to \$101,028, and in 1921, to \$900,096—almost a million dollars for telegrams and cables and long distance?

Admiral COONTZ. Yes.

Mr. BYRNES. That includes cables.

Mr. KELLEY. For this year.

Mr. BYRNES. What percentage of it is cables; does that statement show?

Admiral COONTZ. We could very easily find out for you.

Mr. BYRNES. That is all right.

Admiral COONTZ. We rarely use cable except some place where radio will not reach.

Mr. BYRNES. How do you account for that, your increased bill?

Admiral COONTZ. It is a decrease.

Mr. BYRNES. From \$100,000 to \$900,000 since before the war.

Mr. AYRES. From 1915 to 1920.

Admiral COONTZ. I do not attempt to account for it, because I do not know.

Mr. KELLEY. Don't you think it comes about in this way, that during the war, of course, men got into the habit of using the long-distance telephone and telegraph because it was necessary to do business quickly.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And that habit once contracted will persist unless there is some restriction put on it.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Don't you think we could put a limitation on the telephone bills?

Admiral COONTZ. I thoroughly agree with you on that and I know the Secretary has issued certain orders, and if they pay out any such amount as that I should say put a restriction on it.

Mr. KELLEY. What I was getting at is, is there any officer in the Navy down at the Navy Department under whose eye that would fall from day to day?

Admiral COONTZ. It is possible that it would fall under the eye of the chief clerk. The man that would have to see that is carried out would be the Secretary of the Navy and then he could have it looked out for by the communications officer.

Mr. KELLEY. Of course, these matters do not come directly under you except as they apply to the ships and to the naval districts, I suppose.

Admiral COONTZ. No.

Mr. KELLEY. For instance, here is an item in 1915, of \$2,337.56 for ice. In 1921 the expenditure is estimated at \$138,717, and in 1915, the clerical labor under "Pay, miscellaneous" was \$270,000, and this year is estimated to cost \$822,000.

Admiral COONTZ. Does that include the navy yards and the reservists?

Mr. KELLEY. That includes the naval districts and all.

Admiral COONTZ. That is largely due to the reservists.

Mr. KELLEY. No; this is in "Pay, miscellaneous" on shore.

Admiral COONTZ. I give it up; I do not know.

Mr. KELLEY. Of course, it does not come under your jurisdiction.

Admiral COONTZ. No.

Mr. KELLEY. Except that you are at the head.

Admiral COONTZ. Yes; I am interested and glad to know it. Capt. Freeman just called my attention to the fact that communications turned \$6,000,000 into the Treasury last year instead of \$1,800,000, so that I do not think our little district bill there would bother you much.

FOREIGN NAVIES.

Mr. BYRNES. I would like to secure, Admiral, a statement of the number of ships in the navy of Great Britain, Japan, France, and Italy, as compared with the number of ships now possessed by the Navy of this country, having the statement indicate the number of ships now in commission in each navy, so far as you are able to so indicate.

Mr. AYRES. And the kind of ships.

Mr. BYRNES. Also the kind of ships.

Admiral COONTZ. I shall be very glad to put that in the record.

Mr. AYRES. And personnel.

Admiral COONTZ. Yes.

Mr. FRENCH. Could we have coupled with that a statement as to, say, 1915, so that we would know the drift? Maybe one year would be enough, or a couple of years.

Admiral COONTZ. I think we had better go back to 1914, before the war began.

Mr. FRENCH. All right.

Mr. BYRNES. What I want is to ask that an additional statement be placed in the record showing the information you have as to the personnel of the various navies I have mentioned.

Admiral COONTZ. Yes, sir; I will be very glad to put it in.

Mr. AYRES. For the same years.

Mr. KELLEY. I think it really comes in Admiral Washington's department, and I think I have a statement just exactly as you want it.

Mr. BYRNES. As personnel it would.

Admiral COONTZ. I will be very glad to get you that.

Mr. AYRES. In connection with the information you have asked for, Mr. Byrnes, would it be possible, in connection with that, to give the terms of enlistment for each of those nations—that is, the length of the term?

Admiral COONTZ. We would be glad to put it in.

[Compiled by the Office of Naval Intelligence, Jan. 15, 1921.]

Brassley, 1914.

NAVAL APPROPRIATION BILL, 1922.

Navies of the world powers from 1914 to date.

Classes.	Year.	Great Britain.	United States.	Japan.	France.	Italy.
		Number.	Number.	Number.	Number.	Number.
Battleships, first line.....	1914	17	8	2	4	3
Do.....	1915	21	10	4	7	5
Do.....	1916	26	12	4	7	5
Do.....	1917	27	14	5	7	5
Do.....	1918	27	15	6	7	5
Do.....	1919	27	15	6	7	5
Do.....	1920	26	16	6	7	5
Battleships, second line.....	1914	47	24	19	19	18
Do.....	1915	40	22	16	17	16
Do.....	1916	35	22	16	16	6
Do.....	1917	28	21	16	11	6
Do.....	1918	27	21	12	11	4
Do.....	1919	27	16	11	11	4
Do.....	1920	26	16	6	10	4
Battle cruisers.....	1914	9	—	2	—	—
Do.....	1915	9	—	4	—	—
Do.....	1916	8	—	4	—	—
Do.....	1917	8	—	4	—	—
Do.....	1918	8	—	4	—	—
Do.....	1919	9	—	4	—	—
Do.....	1920	10	—	4	—	—
Cruisers.....	1914	38	22	18	25	3
Do.....	1915	35	21	22	23	3
Do.....	1916	28	21	16	22	9
Do.....	1917	26	21	16	20	9
Do.....	1918	24	18	16	17	8
Do.....	1919	22	16	14	17	8
Do.....	1920	24	10	7	13	4
Total ships.....	1914	412	112	57	131	49
Do.....	1915	420	121	68	101	49
Do.....	1916	414	145	67	116	49
Do.....	1917	496	167	69	113	67
Do.....	1918	560	173	82	123	69
Do.....	1919	710	278	91	108	90
Do.....	1920	775	333	86	145	83
Total tonnage.....	1914	2,206,181	778,247	489,818	644,993	290,800
Do.....	1915	2,115,036	816,367	577,811	665,489	329,770
Do.....	1916	2,130,027	875,557	516,674	667,175	274,417
Do.....	1917	2,112,984	945,060	573,376	579,590	284,905
Do.....	1918	2,207,522	950,626	590,552	580,727	261,799
Do.....	1919	2,503,002	1,018,506	582,830	574,506	280,074
Do.....	1920	2,681,606	1,078,815	538,402	540,241	286,420
Light cruisers.....	1914	63	3	—	—	3
Do.....	1915	57	3	—	—	3
Do.....	1916	56	3	—	3	3
Do.....	1917	49	3	—	3	3
Do.....	1918	48	3	—	3	3
Do.....	1919	69	3	2	3	3
Do.....	1920	86	3	8	5	15
Destroyer leaders.....	1914	4	—	—	—	—
Do.....	1915	4	—	—	—	—
Do.....	1916	15	—	—	—	5
Do.....	1917	21	—	—	—	5
Do.....	1918	21	—	—	—	5
Do.....	1919	31	—	—	—	9
Do.....	1920	27	—	—	—	10
Destroyers.....	1914	158	34	6	23	20
Do.....	1915	178	46	13	31	20
Do.....	1916	179	46	19	31	16
Do.....	1917	232	58	23	33	16
Do.....	1918	325	57	31	33	27
Do.....	1919	394	168	41	33	35
Do.....	1920	404	189	39	46	32
Submarines.....	1914	76	21	10	60	2
Do.....	1915	76	18	9	23	2
Do.....	1916	67	33	9	38	5
Do.....	1917	95	42	9	39	23
Do.....	1918	119	59	13	52	17
Do.....	1919	89	60	13	37	36
Do.....	1920	165	99	16	64	22
Aircraft carriers.....	1918	6	—	—	—	—
Do.....	1919	6	—	—	—	—
Do.....	1920	8	—	—	—	—

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BRITISH NAVY.

Classes.	1 Full comple- ment.	2 Reduced com- plement.	3 Reserve com- plement.	4 Care and main- tenance party.	5 Paid off.	6 Total of columns 1 to 5.	7 Total in Navy.	8 Discrep- ancy, or ships of un- known status— column 7— column 6.
Battleships:								
First line.....	16			1	2	26	26	
Second line.....	2	1	2		8	13	20	7
Battle cruisers:								
First line.....	4		2			6	6	
Second line.....	1		1		2	4	4	
Cruisers:								
First line.....			2			2	2	
Second line.....		1			5	6	20	14
Light cruisers:								
First line.....	30	1	3		9	43	44	1
Second line.....	12				12	24	24	
Destroyer leaders:								
First line.....	12		1		4	17	24	7
Destroyers:								
First line.....	105	20	73	1	91	290	334	44
Second line.....	6		10		24	40	42	2
Submarines:								
First line.....	41					41	71	30
Second line.....	33				7	40	66	26
Fleet submarines:								
First line.....	8		4			12	20	8
Second line.....	6					6	7	1
Cruiser submarines:								
Monitor type sub- marines.....	1					1	1	
Aircraft carriers:								
First line.....	2		2			2	2	
Second line.....	2					2	2	
Total.....	283	23	107	2	164	579	719	140

BRITISH NAVY.

NOTE.—In the British navy a vessel undergoing extensive repairs is usually placed under a "Care and maintenance party." When a vessel is "Paid off" it does not necessarily mean that she is to join the reserve. Vessels returning from foreign station are often "Paid off," meaning that the crew leave her for another vessel and a new crew will come aboard, from immediately up to a few days. Vessels are also said to be "Paid off" when they put into home yards for a leave period. The ships in this latter case are not in reserve, but are still commissioned and ready for service as soon as the crew is put aboard. "Reduced complement" probably means that the vessels are operative, but that the complement is not up to full strength. "Reserve complement" probably means that the vessels are in a reserve status, ready for sea on about 48 hours or more notice.

JAPANESE NAVY.

[All ships of the first and second lines in the Japanese Navy are believed to be in full commission.]

Classes.	First line.	Second line.	Classes.	First line.	Second line.
Battleships.....	6	4	Light cruisers.....	6	1
Battle cruisers.....	4		Destroyers.....	27	12
Cruisers.....		5	Submarines.....		10

FRENCH NAVY.

	1 Full commis- sion.	2 Reserve commis- sion.	3 Total of columns 1 and 2.	4 Total in Navy.	5 Discrep- ancy or ships of unknown status— column 4—col- umn 3.
Battleships:					
First line	7		7	7	
Second line	9		9	10	1
Cruisers, second line.....	8		8	8	
Light cruisers:					
First line	4		4	4	
Second line	1		1	1	
Destroyers:					
First line	10		10	10	
Second line	26		26	36	
Submarines:					
First line	17		17	17	
Second line	29		29	46	17
Total.....	121		121	139	18

ITALIAN NAVY.

	1 Full commis- sion.	2 Reduced commis- sion.	3 Total of columns 1 and 2.	4 Total in Navy.	5 Discrep- ancy or ships of unknown status— column 4 —col- umn 3.
Battleships, first line.....	5		5	5	
Battleships, second line.....	4		4	4	
Cruisers, second line.....		3	3	3	
Light cruisers, first line.....	1	4	5	5	
Light cruisers, second line.....	2	1	3	3	
Destroyers, first line	11		11	11	
Destroyers, second line	29		29	29	
Submarines, first line	9		9	9	
Submarines, second line	13		13	13	
Total.....	74	8	82	82	

Mr. KELLEY. Now, I will put in the record the statement from the Chief of Naval Intelligence as to the vessels of the Japanese Navy in commission:

Battleships of the first line, 6; second line, 4; battle cruisers, 4; cruisers of the second line, 5; light cruisers of the first line, 6; second line, 1; destroyers, leaders, none; destroyers, first line, 27; second line, 2; submarines, first line, none; second line, 10; fleet submarines, none; cruisers, submarines, 10; motor-type submarines, none; aircraft carriers, none.

Now, I wish to discuss a little bit about the department having charge of aviation in the Navy.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Who has direct control of it?

Admiral COONTZ. Capt. Craven. I would rather that you would call him before this committee to get the details of aviation.

Mr. KELLEY. You have no general statement that you wish to make with reference to the service, so that the members of the committee may have your viewpoint? Have you any statement to make at this time?

THREE-YEAR SHIP-BUILDING PROGRAM.

Mr. BYRNES. Mr. Chairman, in addition to that question I wish the admiral would express his opinion as to whether or not the 1916 program should be completed.

Admiral COONTZ. In answer to your question, of the various details as to how far the program has advanced—the technical questions regarding it—can be answered by the Chief of the Bureau of Construction and Repair, who I understand will appear before your committee later. As a matter of national policy, I am of the belief that the United States should have a Navy the equal of any other nation. For that reason I believe that our present building program should be continued and completed, at which time certain navies that have added to their building programs will be on an equality.

I believe that the United States, as one of the leading nations of the world, one which has a vast coast line, one that has vast commercial resources, one that stands for all that is good in the world, should have a Navy equal to any other and one whose potential value accorded with her national policies. She should require such a Navy as would give her the right to look out for such things as the Monroe doctrine, her merchant marine, her commercial activities throughout the world, and keep her prepared for any future event that might call into account the peace of the world.

Mr. AYRES. When the 1916 building program is completed, you will have about as good a Navy as any nation in the world, and probably a little better as far as efficiency is concerned, will you not?

Admiral COONTZ. Yes, sir; provided Great Britain does not take up another building program.

Mr. BYRNES. Would not that, too, depend on how long it would take to complete the program, because if it takes a considerable number of years, then Great Britain or some other nation might enlarge its program.

Admiral COONTZ. Yes, sir.

Mr. BYRNES. Do they express intention to do so?

Admiral COONTZ. I am in favor of rounding out or completing that program just as soon as the economic situation of the United States will allow it. I believe the Navy is our first line of defense, our great insurance for peace, and that we will be in much better shape and standing the quicker we complete the building program.

Mr. BYRNES. Will it involve going into that in detail to express an opinion as to whether these departments expect in the ordinary course of events to complete that program? If you have not that information, just say so.

Admiral COONTZ. Under present conditions, Mr. Byrnes, we expect to complete it in 1924.

RADIO SERVICE.

Mr. KELLEY. The radio business is handled under your direct supervision, is it not?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Do you know how many stations we have under the Navy?

Admiral COONTZ. I do not offhand.

Mr. KELLEY. There seems to be a very large number of them.

Admiral COONTZ. The number, I think, Mr. Kelley, as shown there, is greatly augmented by what we would call direction-finding stations, radio-compass stations. We have found out in the last few years new methods, as you know, and have made great advances in that line. A ship out at sea calls on a certain shore station, and, for instance, say one is coming into New York, and he calls up Fire Island and Fire Island answers back that you are due southwest of us and calls up Barnegat and Barnegat says you are southeast of us. Another matter is in the case of foggy weather or anything like that. Suppose you are crossing into New York Harbor. You have probably all read of the new scheme that we have of laying a cable up Ambrose Channel, that is electrified. In fog a ship comes in there and if the ship goes to one side or the other it finds out from that cable so that it can go up the channel properly. To my mind it is a question of whether the Navy should pay for these stations. They are so much good to every seafaring man, commercially, and save so many human lives that we are carrying it on.

Mr. KELLEY. Do you have authority under the law to establish a radio station any place you see fit?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Without limitation whatever?

Admiral COONTZ. No limitation, except the money.

Mr. KELLEY. There must be several hundred of them?

Admiral COONTZ. I do not think so.

Mr. KELLEY. This list is four or five pages long.

Admiral COONTZ. If you will let me look at that I will tell you the situation. Naval communication offices are all right on this statement. There are a large number of names and nothing opposite.

Mr. KELLEY. There are no men there, and I suppose they have been closed up since the war?

Admiral COONTZ. Because there is no such number as that existing. I will be very glad to put in what they really are.

Mr. KELLEY. All told, the number of men amounts to about 1,200?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. These are enlisted men?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And they are assigned to these stations by the Navy Department?

Admiral COONTZ. Yes, sir; and spend part of their time there and part of their time at sea.

Mr. KELLEY. The expenses of installation are paid out of "Engineering"?

Admiral COONTZ. That must be the list of another year you have there; perhaps those we had during the war, because you will notice that there is nobody working there.

Mr. KELLEY. Are there any other projects that we started during the war primarily to meet the particular needs of the war that could now be abandoned?

Admiral COONTZ. There is the communications system in Europe that will be abandoned just as soon as we can let go.

SUBMARINE BASE, KEY WEST.

Mr. KELLEY. What I have reference to particularly is stations which we undertook to construct for war needs, where the work has not been discontinued. Coming directly to the one thing I had in mind, what about the project for a naval base at Key West? That was a war project, was it not, primarily?

Admiral Coontz. I do not remember, of course, how that came out. I was not here.

Mr. KELLEY. In view of present circumstances, could not we discontinue the construction of that base, and just cancel and settle up the contract?

Admiral Coontz. I would want to look into that, Mr. Kelley, lest we might lose more by attempting to pull out there than otherwise, and I would want also to consider our situation as regards Key West, and the Caribbean in connection with war plans. I would be very glad to look into that and put that in. That was something done before I came here and the Navy had already activities at Key West.

Mr. KELLEY. Do you know what progress they have made there?

Admiral Coontz. I think they made pretty fair progress.

Mr. KELLEY. What have they got?

Admiral Coontz. I think they have got pretty well along in their bulkhead, in fact, the submarines come in there and tie up there, but I would have to examine into the project.

Mr. KELLEY. In giving the location of the various submarines, I do not recall that you have any located there.

Capt. FREEMAN. The Key West submarines are under repairs at Philadelphia and will return to Key West.

Admiral Coontz. My recollection is that it takes \$800,000 to complete it.

Mr. KELLEY. I wish you would look into that matter.

Admiral Coontz. I will be very glad to do that.

AVIATION.

Mr. KELLEY. Admiral, please take up the general question of aviation.

Admiral Coontz. My talk on aviation will be rather short because I prefer to leave that to Capt. Craven, but I do know that both the British and the Japanese are making great advances and spending a great deal of money on the development of aviation. You will notice in that list that Great Britain has four big carriers. I take it that they are powerful and swift and carry a number of planes. We have got to go about finding a satisfactory seaplane and as soon as possible we must get aircraft carriers. Those would be vessels that could go over 30 knots and carry a large number of planes which will take off from and land on the decks of the carriers just like a bird or any flying thing would, and operate generally from them.

NAVAL APPROPRIATION BILL, 1922.

link eight of our battleships are now equipped with small planes that can fly off. By being fast the carriers can sight a fleet, send the planes off, then join the main fleet. The planes, after they have done whatever work they have to do, those that survive, will come back, hop aboard the carrier and get ready for another jump-off. We are now fixing up the ex-collier *Jupiter* (renamed the *Langley*), but I think her speed will be only 14 knots. That is the only one we have got. Aircraft carriers are one of our urgent needs in that line. Aviation is a broad, big subject for the future and one that we have got to keep abreast of and continue our working experiments. Capt. Craven will be glad to tell you what we are doing.

Mr. BYRNES. You believe it is essential to pursue this aviation program?

Admiral COONTZ. Absolutely.

Mr. BYRNES. You think it is going to be an important element in naval warfare in the future?

Admiral COONTZ. Yes.

Mr. FRENCH. The statement has been made to me by a very responsible man that the leading nations are holding back on their large shipbuilding programs on account of the development of aviation, the thought being that maybe they are putting too much money into big ships that could be destroyed for a comparatively small amount of money put into aviation. What have you to say about that?

Admiral COONTZ. The answer to that is this: I will lay before you the building programs of the French, the Italians, and the Japanese. The British do not have to build any more capital ships now, because they can sit back and take it easy; they have got the capital ships; the other nations are not only building the capital ships but are also looking into aviation. The day has not yet come, in my judgment, when capital ships are in the slightest danger of not being the backbone of the fleet. We have had the rise of the destroyer, the submarine, the destroyer leader, and every other new thing that came along, but every time we raise something like that we find something to whip it off, and I take it that the same thing will come as regards aviation—that we, through our carriers, will have those things which will go out and fight the other fellow.

Mr. BYRNES. You mean you will have a method of defense against aircraft?

Admiral COONTZ. Yes, sir: that is history as to everything that comes up. We had the little destroyer and then we got the destroyer destroyers, and so on.

Mr. BYRNES. To meet the attack of enemy aircraft you will have to be liberally supplied with planes?

Admiral COONTZ. With planes and with antiaircraft guns.

Mr. KELLEY. Some testimony is alleged to have been given the other day before some committee—I saw something about it in the newspapers—to the effect that since the war some inventions have been perfected by which it is almost certain that large quantities of explosives can be accurately dropped upon a vessel, or any other object, whether the vessel be in motion or not, and that antiaircraft guns alone would not be of much defense against aeroplanes with that device on them. What is the fact about that?

Admiral COONTZ. I do not know of any particular invention that has come along in that line. Of course, it is a well-known fact that

torpedo planes, for instance, are being developed; that experiments are being made of flying over ships and dropping bombs to see what will happen, and also to see how accurately it can be done; but it must be remembered that as those things pass over now there is nothing to stop them and they can pass over and do the dropping, but the answer is the same as made to Mr. Byrnes, that for everything that comes up like that the other nations get the opposite, and as the fellow comes to drop his bomb somebody is going out to meet him and have a fight.

Mr. KELLEY. Why do you not try this out and see whether that is true or not? But I would not advise you to be on the ship.

Admiral COONTZ. We are making such experiments right along.

FUEL FOR VESSELS.

Mr. KELLEY. Referring again to coal and oil, you furnish the Bureau of Supplies and Accounts with a list of the ships to be kept in commission?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. And from that they figure the amount of coal and oil that you will use during the year?

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Can you give the committee the basis upon which they make their figures?

Admiral COONTZ. I think the way they make their figures, Mr. Kelley, is that they take the statement which is approved by the Secretary of the Navy as to the probable number of ships; that they would figure on the price of the coal and the oil; that they would figure it costs 25 per cent as much to lie in port as it does to keep under way; that they would figure the probable number of miles that would have to be steamed by these various craft.

Mr. KELLEY. How could they do that?

Admiral COONTZ. They would average up, I suppose, for two or three years past or they would come and find out what the probabilities were. There are always unexpected things. For instance, we are using a whole lot of oil in Europe, and there is no stopping it, because it is necessary to keep those ships going, so that you can not forecast accurately. Suppose that some unexpected event occurred that called the ships off or called a whole lot of them. For instance, a couple of years ago they went to Vera Cruz and laid there for months and months, and there must have been a pretty small amount used during that period; then they know there will be target practice, that there will be maneuvers, and things of that character. Undoubtedly they can tell you exactly how they do it—just like they make up a pay roll.

Mr. KELLEY. I am asking you whether or not you furnish the Bureau of Supplies and Accounts with approximately the amount of steaming each ship is expected to do?

Admiral COONTZ. It is possible that is furnished them.

Mr. KELLEY. It does not seem as though anybody could furnish it but you.

Admiral COONTZ. Nobody really should furnish it except ourselves.

Mr. KELLEY. Take this new cruise that you are starting out on now or soon will start on—that will mean quite a large expense, of course, in oil and coal.

Admiral COONTZ. Yes, sir.

Mr. KELLEY. Do you know how much?

Admiral COONTZ. No; but I could tell you very easily.

NOTE ON FUEL REQUIRED FOR SOUTH AMERICAN CRUISE OF COMBINED ATLANTIC AND PACIFIC FLEETS.

The fuel required for the cruise of the combined Atlantic and Pacific Fleets from the time they leave their home bases in the United States until their return to San Pedro, Calif., in the Pacific and Guantanamo, Cuba, in the Atlantic is as follows:

	Tons.
Fuel oil-----	63,885
Coal -----	43,299

It should be clearly understood that a general principle governs the expenditure of fuel, which is based on a vessel spending about two days in port to one day steaming at sea. Long cruises or their omission do not affect the annual fuel expenditure to the degree commonly entertained by those unfamiliar with the operation of naval vessels. If the long cruises are omitted, the vessels steam practically an equivalent number of miles operating from their home bases for maneuvers, etc. Continuous long cruises would gradually increase the total annual fuel expenditure because it is necessary for certain auxiliaries to accompany the fleet on a long cruise, whereas the same auxiliaries are frequently left in port when the vessels are operating from a given base and only move with the fleet when the fleet changes its operating base. Such auxiliaries do not burn a great amount of fuel and consequently the total fuel consumed on a long cruise is very little greater than would be consumed were the ships to remain in home waters conducting their ordinary cruises for training and maneuvers. One or two long cruises a year would not in themselves cause a deficit in the appropriation for fuel unless the Navy were operating on an unnecessarily narrow margin.

Mr. KELLEY. But the fact is that the coal bill and the fuel bill is incurred without regard to the appropriation?

Admiral COONTZ. No, sir; it never was up until the time when the war, and so on, came on.

Mr. KELLEY. Suppose you ordered the ships on a cruise not figured on by the Bureau of Supplies and Accounts—that would mean a deficit, would it not?

Admiral COONTZ. Yes, sir; if I did order them on something that had not been figured on.

Mr. KELLEY. Do you keep in close touch with the funds?

Admiral COONTZ. I do not, unless they call my attention to what is going to happen. If you had a stipulated amount for fuel and oil that could not be gone by, that could not be exceeded, the ships would lie at anchor or stop whenever you said so. There would be no maneuvers, and so on. The reason this clause was put in was that years ago the amount was made very small, and when used up the ships stood still the rest of the year. I want to be perfectly clear on this deficit at this time, though, that the Naval Committee knew it was coming.

Mr. KELLEY. It is even \$20,000,000 more than you estimated, and that is what bothers me.

Admiral COONTZ. No, sir; never for a moment did I estimate that.

Mr. KELLEY. That was the estimate given by the Bureau of Supplies and Accounts, based on your requirements, and it is \$17,000,000 more than the estimates.

Admiral COONTZ. Of course, I knew that the \$10,000,000 was not enough at all, and if there was any such thing as not being able to run beyond the estimate, the movements of the various ships would have to be curtailed.

Mr. KELLEY. Will you put in the record a statement, immediately following the statement of the ships to be kept in commission, on the basis of the estimates, showing all the ships that could be kept in commission with a strength of 100,000 men?

Admiral COONTZ. I will.

Comparative statement of ships and their status to be kept manned on basis of 143,000-man Navy and 100,000-man Navy.

Type of ship.	Number with 143,000 men.	Number with 100,000 men.
Battleships, first line.....	19	17
Cruisers (miscellaneous).....	15	10
Destroyers, first line.....	144	98
Submarines.....	131	131
Destroyer tenders.....	8	7
Submarine tenders.....	5	5
Shore-based submarine tenders.....	7	6
Repair ships.....	3	3
Hospital ships.....	2	2
Storeships.....	6	4
Auxiliaries (target repair).....	2	2
Auxiliary (radio repair).....	1	1
Aircraft tenders.....	2	2
Aircraft carrier.....	1	1
Mine layers.....	2	2
Mine sweepers and fleet tugs.....	47	35
For use with mine force.....	24	12
Colliers.....	12	8
Oilers.....	14	10
Transports and cargo ships.....	18	8
Ammunition ships.....	2	2
Flagships for foreign stations (cruisers).....	3	(1)
Patrol vessels.....	17	15
Auxiliaries (survey vessels).....	4	2
Fish Commission ships.....	2	2
Special-duty craft (by stations).....	13	13
Vessels to be kept in reduced commission or in reserve:		
Experimental ship (to be designated).....	1	1
Battleships, second line.....	* 2	* 2
Destroyers.....	* 154	* 202
Submarines.....	* 8	* 8
Eagles.....	* 40	* 40
Mine sweepers.....	* 6	* 6
Hospital ships (reserve).....	2	0
Total ships.....	688	643
Total personnel required.....	92,907	75,045

¹ Two to be used as flagships on foreign stations.

* 600 men each.

* 60 men each.

* 40 men each.

* 6 men each.

* 25 men each.

* 20 men each.

* 30 men each.

* 20 men each.

Mr. BYRNES. Admiral, have you any statement as to the revenue received from the communications service?

Admiral COONTZ. Yes, sir. The following is a memorandum furnished by the district communication officer:

The following is a statement of the money earnings to the Government of the naval communication service for the fiscal year 1920: Commercial traffic earn-

ings, \$1,116,593.37; saving on Government traffic, \$5,849,201.88, a total of \$6,965,795.25.

I want to especially call your attention to the fact that that is a part of the districts we are talking about, and if the districts were touched it is going to hurt the administration of shore activities very badly, and I do not believe there will be any economy, but, rather, a loss on account of too great centralization here in Washington.

TUESDAY, JANUARY 11, 1921.

BUREAU OF NAVIGATION.

STATEMENTS OF REAR ADMIRAL THOMAS WASHINGTON, CHIEF BUREAU OF NAVIGATION; ACCCOMPANIED BY CAPT. JOHN M. ENOCHS, CHIEF ENLISTED PERSONNEL DIVISION; COMMANDER JOHN S. McCAIN; COMMANDER LOUIS B. PORTERFIELD; AND CHIEF CLERK E. HENKEL.

COMMISSIONED PERSONNEL.

(See p. 84.)

Mr. KELLEY. We have with us this morning Admiral Washington, Chief of the Bureau of Navigation. Admiral, I would like to have you turn to page 69 of the print for a few questions relating to pay of the Navy before taking up the items under Bureau of Navigation. Under existing law how many officers is the Navy entitled to have?

Admiral WASHINGTON. Four per cent of the authorized enlisted strength, which makes a total of 5,499.

Mr. KELLEY. How many staff officers?

Admiral WASHINGTON. The staff officers are based on the line, and they amounted on the 1st of January to 2,300.

Mr. KELLEY. Is that all you are entitled to have—2,300?

Admiral WASHINGTON. No, sir; that is what we have at the present time.

Mr. KELLEY. How many are you entitled to have?

Admiral WASHINGTON. The staff is based on percentages of the line, and there is a varying percentage for each corps.

Mr. KELLEY. On page 9 of your annual report the number of the staff corps is set out, and it foots up just a trifle over 2,600.

Admiral WASHINGTON. That would be the maximum number—2,539 is what it totals, but there may be some extra numbers on the list which would bring it up higher.

Mr. KELLEY. It is, in round numbers, 2,600?

Admiral WASHINGTON. About 2,600; yes, sir.

Mr. KELLEY. Then you are entitled to 500 extra for aviation and auxiliaries?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. That makes a total of how many? How many officers are you entitled to have?

Admiral WASHINGTON. About 8,600.

Mr. KELLEY. Will you give me the number of officers in the Regular Navy now?

Admiral WASHINGTON. This is for November 1: There are 3,209 regular line, 1,970 temporary line, 695 reserve line; 1,307 regular staff, 837 temporary staff, 208 reserve staff, totaling 8,226; then there were additional numbers of 51, making a grand total of 8,277 commissioned officers.

Mr. KELLEY. Eight thousand two hundred and seventy-seven represents all the commissioned officers in the Navy as of November 1—regular, reserve, and temporary?

Admiral WASHINGTON. On active duty; yes, sir.

Mr. KELLEY. On the sheet furnished me by the Bureau of Supplies and Accounts they have calculated pay for 5,973 on sea duty, 3,531 on shore duty, making a total of 9,504; 843 reserves on the active list, and 29 retired officers on the active list, making a total of 10,376. Where do they get those figures? The \$37,000,000 asked for pay of the Navy is apparently based on that number of officers.

Admiral WASHINGTON. I do not know the number of retired officers on active duty.

Mr. KELLEY. There are 29.

Admiral WASHINGTON. Unless they have included in that the reserve officers recalled for training—

Mr. KELLEY (interposing). That is separate; they have a separate item of officers confirmed, 6,790, and officers not confirmed, 10,000.

Admiral WASHINGTON. But that does not include all the officers. For instance, we have quite a large number of them now with the fleet that has gone South, and they will be there for four or five months, and that estimate may include those.

Mr. KELLEY. Whom do you mean?

Admiral WASHINGTON. Reserve officers whom we called to active duty for sea training.

Mr. KELLEY. For active-duty pay, under training, there is an item of \$854,000—that is separate.

Admiral WASHINGTON. That may be for this number of officers.

Mr. KELLEY. No; the two are figured separately. This active pay, under training, is carried below under pay of members of the Naval Reserve Force, and the amount is \$854,105.

Admiral WASHINGTON. That is entirely distinct from those confirmed and those not confirmed?

Mr. KELLEY. Yes. In addition to that, under pay and allowances of officers on sea duty and other duty, they have 9,504 officers. There is that excess over the number you are allowed.

Admiral WASHINGTON. I do not see how they got that number, if our figures are correct, and they were taken from the register. You remember that the Judge Advocate General rendered an opinion, which has been approved by the department, to the effect that we were allowed more officers than I thought the committee ever intended us to have, and I have kept the number down to what my belief was the committee's wish, which was 4 per cent of 137,485.

Mr. KELLEY. That was our understanding—that the whole number of officers should not exceed the number allowed under existing law.

Admiral WASHINGTON. But the law is so worded that it is construed to mean 4 per cent of about 4,500 more. While efforts have

been made to have us add that number to the list of officers, I have always refused.

Mr. KELLEY. So, as a matter of fact, the number of officers of all kinds on the active list is now 8,277, and the pay of the Navy for officers should be figured on that basis.

Admiral WASHINGTON. Yes, sir; I will look that up and see on what figures that total was arrived at.

Mr. KELLEY. The number given in the pay sheet exceeds the number allowed by 1,770.

Commander McCAIN. We will never exceed what we are legally allowed.

Admiral WASHINGTON. The number of officers is going down all the while, and we have made no new temporary appointments since about April of 1919, I think, and every death and resignation has reduced our number by that amount. But that opinion of the Judge Advocate General, which was approved by the department, does, under the construction of the law, allow us an increase of several hundred.

Mr. KELLEY. What do they base that on?

Admiral WASHINGTON. The wording of the law, the authorized enlisted strength of 4 per cent; the authorized enlisted strength as defined by the act of July 1, 1918, and it was on that that this 4 per cent of increase was arrived at.

Mr. KELLEY. That is, 143,000?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. But my understanding was that it was not intended it should go beyond 137,000.

Admiral WASHINGTON. I talked it over with Mr. Padgett and showed him the law, and he says it is perfectly clear that the law does authorize it. But I knew it was not the intention of the committee, and therefore I have never exceeded the 137,000.

Mr. KELLEY. As a matter of fact, it does not make any difference,--because you have kept within the 4 per cent of the authorized strength of the Navy.

Admiral WASHINGTON. Yes, sir; and it has gone down, and it is possibly now 300 below that. I do not think we have any more than about 5,200 officers at the present date. Anyway, we are well within that figure, and we have never exceeded it, and so long as my understanding of what the committee intended is that way I shall not exceed it.

Mr. KELLEY. I would suggest that you go over that carefully with the Bureau of Supplies and Accounts, because a difference of 1,770 officers would mean a very large sum in the bill.

Admiral WASHINGTON. That does not include the retired list, does it, Mr. Kelley?

Mr. KELLEY. No; that is a separate item.

Admiral WASHINGTON. Because I have nothing here bearing on the retired list.

Mr. KELLEY. You have 8,277 officers now, and the graduates from the Naval Academy will increase that how many?

Admiral WASHINGTON. About 260; maybe 280.

Mr. KELLEY. So that the largest number that need be appropriated for will be 8,537?

Admiral WASHINGTON. Well, there is another contingent that comes in there, and that is this: The examinations we hold in May will put on the list for the following year a certain number of officers; we are authorized to have 1,200 there, but how many will come in we do not know.

Mr. KELLEY. That will be an additional figure, will it not?

Admiral WASHINGTON. Yes. It is possible they may be figuring on those.

Mr. KELLEY. But they are counted now.

Admiral WASHINGTON. No, sir; many of them may come in from inactive duty.

Mr. KELLEY. What I am getting at is that the outside figure can not go beyond 4 per cent.

Admiral WASHINGTON. That is right, sir.

Mr. KELLEY. You know of no explanation for the number of officers set down in this pay sheet?

Admiral WASHINGTON. Unless they include a certain number of those who will come in as a result of the May examination.

Mr. KELLEY. But even then you could not have in excess of your 4 per cent.

Admiral WASHINGTON. These figures I give you are less than the 4 per cent; you see, we have not arrived at the total of 4 per cent in these figures, because what I gave you are what we actually had in the service on November 1.

Mr. KELLEY. But the difference is so slight. The whole number is 8,599?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And this makes 8,537?

Admiral WASHINGTON. Yes.

Mr. KELLEY. So you are, when you get your Naval Academy graduates, practically right up to the limit?

Admiral WASHINGTON. Yes. Many of those that we calculate on taking in next June will simply be brought from the temporary Navy into the permanent Navy, but some of them will come from the outside.

Mr. KELLEY. But there will be others that will drop out of your naval reserves to make up for everybody you take in from other sources?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Because you have to keep inside the law as to the total number?

Admiral WASHINGTON. Absolutely.

EXTRA PAY FOR REENLISTMENT.

Mr. KELLEY. On page 70 there is an item for extra pay to men reenlisting under honorable discharge, and the amount asked for in the bill is \$9,798,851.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How many expirations of enlistments will there be during the year?

Admiral WASHINGTON. Forty-three thousand one hundred and twenty-three due to honorable discharge; that is, we know that

number is going out by reason of the expiration of their term of enlistment.

Mr. KELLEY. The figures you sent up were not quite like that?

Admiral WASHINGTON. There are certain other factors that come in which foot up a larger number.

Mr. KELLEY. Forty-three thousand seven hundred and eight are the figures I have, but the number is not greatly different.

Admiral WASHINGTON. Forty-three thousand one hundred and twenty-three is the count.

Mr. KELLEY. You estimate what percentage of those will reenlist?

Admiral WASHINGTON. We estimate 60 per cent, but that is an estimate based only on the past six months.

Mr. KELLEY. That would make 25,873 men to reenlist?

Admiral WASHINGTON. Yes.

Mr. KELLEY. On this sheet, upon which that pay was figured, the four months' pay for each man was figured at \$437.

Admiral WASHINGTON. Per man; yes, sir.

Mr. KELLEY. From what ratings do these 43,123 men come in the main?

Admiral WASHINGTON. They come from all ratings. I have the actual number of the discharges, but it would not convey very much information except a very rough idea. I have recast all of those figures and have gone over them very carefully, and I think we can materially reduce that estimate.

Mr. KELLEY. Let us see if we can figure it out.

Admiral WASHINGTON. We have taken it in the way the men actually go out and then we have estimated them according to the class of pay and arrived at the average; that way, I think, is much more accurate than to assume that out of the total number of 43,000 60 per cent of them will reenlist and that they will all get that \$437. We have taken it in the two or three classes in which the men go out.

Mr. KELLEY. How is it possible that they would all get \$437?

Admiral WASHINGTON. They would not.

Mr. KELLEY. That would be almost the maximum pay of a petty officer?

Admiral WASHINGTON. Yes; it would not be the maximum, but it would be above the average of the chief petty officers.

Mr. KELLEY. Have you figures showing what part of the 43,000 are two-year enlistment men?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How many men are in that class?

Admiral WASHINGTON. Thirty-five thousand three hundred and seventy-two.

Mr. KELLEY. And naturally they would be in about what rating?

Admiral WASHINGTON. They would in all probability be in the grade of seaman or fireman, and the lowest rate of a petty officer, a petty officer, third class.

Mr. KELLEY. They would be getting about what pay per month?

Admiral WASHINGTON. We estimated that they would be getting \$56 and \$60; they would be on their first enlistment.

Mr. KELLEY. A seaman, second class, gets \$48?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And a seaman, first class, gets \$54?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Would they in all probability be equally divided among those two ratings?

Admiral WASHINGTON. There would be more in the lower rating, the big majority of them; probably 75 per cent of them would come in the lower rating.

Mr. KELLEY. In the \$48 rating?

Admiral WASHINGTON. No; in the \$54 rating.

Mr. KELLEY. And not petty officers, third class?

Admiral WASHINGTON. I should estimate that at about 25 per cent or less. I can give you the figures just as I have them and then you can dissect them a little more. Of the 35,372 expirations of the two-year enlistments we assume a 15 per cent loss; between the time the figures were made up, in October, 1920, and July 1, 1921, it would be 5,305.

Mr. KELLEY. Out of what class?

Admiral WASHINGTON. Out of that total.

Mr. KELLEY. What do you mean by loss?

Admiral WASHINGTON. They would go out for bad conduct, on discharges for inaptitude, physical disability, and various other things.

Mr. KELLEY. That would reduce the 35,000?

Admiral WASHINGTON. To 30,067.

Mr. KELLEY. You do not mean that out of those you figure will return, namely, 60 per cent, 5,000 would be discharged?

Admiral WASHINGTON. No; I did not express it clearly. Of the total two-year men whose enlistments expire, 35,000, 5,000 will be discharged for other causes than honorable, so that they would not come back.

Mr. KELLEY. So that 30,067 would be eligible to come back?

Admiral WASHINGTON. Yes, sir; and we estimate 60 per cent, and that would be 18,040 that we estimate would be entitled to the re-enlistment bounty.

Mr. KELLEY. At what rate did you figure those?

Admiral WASHINGTON. We divided it up and assumed that 50 per cent of them would be at the coxswain rating or lower rating.

Mr. KELLEY. And 9,020 would come in at what rating?

Admiral WASHINGTON. In the third class; there are a number of ratings.

Mr. KELLEY. That is, at \$60 a month?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And they would get how many months' pay?

Admiral WASHINGTON. Four.

Mr. KELLEY. The 2-year men get two months' pay, do they not?

Admiral WASHINGTON. No, sir; they get four.

Mr. KELLEY. Why is that?

Admiral WASHINGTON. Because the comptroller has held that their reenlistment bounty is for the period for which they reenlist, which is four months—one month for each year of reenlistment.

Mr. KELLEY. Even though they had served only two years?

Admiral WASHINGTON. That is right; and that is the reason for this suggested legislation.

Mr. KELLEY. Well, four months' pay at \$60 per month would be \$240?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. For those 9,000?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And the other 9,020 would get how much?

Admiral WASHINGTON. Two hundred and sixteen dollars apiece.

Mr. KELLEY. Go ahead with your analysis.

Admiral WASHINGTON. That would total \$4,114,032; that is the total of the two-year men. Now, there will be 3,678 discharged by reason of the expiration of a four-year enlistment. Those we can assume will all be practically chief petty officers; there will be so few of them that are not chief petty officers after a four-year enlistment under the circumstances we have been in during the past two years or so that we can disregard the small percentage and assume that practically all of them will be. I have based it here at 90 per cent.

Mr. KELLEY. That 90 per cent of them are petty officers?

Admiral WASHINGTON. That 90 per cent will reenlist; that as they are chief petty officers we can assume that 90 per cent of them will reenlist.

Mr. KELLEY. And you have 367 men?

Admiral WASHINGTON. Yes, sir; 367 men.

Mr. KELLEY. Then you would have 3,310 men at—

Admiral WASHINGTON (interposing). 3,310, I figure it.

Mr. KELLEY. At how much?

Admiral WASHINGTON. And we have assumed that these being mostly continuous service men, their pay will be higher than any of the other rates, and have assumed, taking their extra reenlistment money, good conduct, and other gratuities, that it will amount to an average of \$504 per man. I do not think we will be far out of the way; it may be a little too much, but it will not be far out of the way.

Mr. KELLEY. How much does that amount to?

Admiral WASHINGTON. That amounts to \$1,668,240. Then we have 1,505 expirations due to boys reaching 21, minority enlistments, as we call them; those, we assume, will be mostly in the lower rates, being boys who came in and served three years or more; the great mass of them will have reached the grade of coxswain or third-class petty officers, and we assume that 60 per cent of them will reenlist. That is a total of 903, and we have allowed them four months' gratuity pay of a third-class petty officer, which is \$240.

Mr. KELLEY. And that is how much?

Admiral WASHINGTON. That amounts to \$216,720. Then we have the duration-of-the-war men and those who extended their enlistments for one or two years, going out during 1921 and 1922; there are not very many of them—a total of 2,267—and we estimate that 60 per cent of them will reenlist.

Mr. KELLEY. That is how many?

Admiral WASHINGTON. One thousand four hundred and twenty.

Mr. KELLEY. What will they get?

Admiral WASHINGTON. That pay would be in the grade of second-class petty officer, and it would be \$288.

Mr. KELLEY. How much is that?

Admiral WASHINGTON. That totals \$408,960.

Mr. KELLEY. Is that all?

Admiral WASHINGTON. No, sir. Then for miscellaneous discharges of one sort and another, 201; and 60 per cent reenlisting makes 120.

Mr. KELLEY. At how much?

Admiral WASHINGTON. And those we estimate in the first-class petty-officer grade, being \$336 per man, totaling \$40,320.

Mr. KELLEY. Is that all?

Admiral WASHINGTON. That is all; yes, sir.

Mr. KELLEY. That makes a total of how much?

Admiral WASHINGTON. The grand total is \$6,448,272.

Mr. KELLEY. Instead of the \$9,798,851 as carried in the pay table in the bill?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. If the Committee on Naval Affairs should enact this legislation, what will be the effect on this total:

No enlisted men in the Navy upon reenlistment shall be paid the enlistment gratuity or any proportionate part thereof until such enlisted men shall have completed four years' service in the Navy, which service shall have been continuous in the Navy, the Naval Reserve Force, or both combined.

Admiral WASHINGTON. It would have the effect of deferring the payment of that gratuity to those first on the list given you; that is, those who have served only two years; it would defer for two years the payment of that gratuity.

Mr. KELLEY. How much would that take out of this \$6,448,272?

Admiral WASHINGTON. It would take out \$4,114,032.

Mr. KELLEY. So if that legislation were enacted this item could stand at \$2,334,240?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Is there any reason why it would not be perfectly fair to do that?

Admiral WASHINGTON. I think it would be a disappointment to many of those men, but I do not think it would be unfair.

Mr. KELLEY. The original idea of a four months' gratuity was to give them one month's vacation pay for each year they had served.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And that is the reason for the four months' gratuity?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And there never was any thought originally of giving a man four months' gratuity or reenlistment if he had served only two years?

Admiral WASHINGTON. No; I think not.

Mr. KELLEY. That was an interpretation not intended when we provided for a 2-year enlistment?

Admiral WASHINGTON. Yes, sir.

Mr. AYRES. This legislation would give him two months' gratuity?

Mr. KELLEY. It would not give him anything at all until he served four years; it preserves the 4-year enlistment. What he would probably do would be to enlist for two years more, making his four years, and then he would be entitled to four months' gratuity.

Mr. AYRES. What effect would that have on the reenlistments?

Admiral WASHINGTON. I do not think it would have any very material effect; it might prevent some of these 2-year men from reenlisting, but I do not believe it would have any great effect.

Mr. KELLEY. From the standpoint of the good of the Navy you do think it would be of serious moment if that legislation were enacted?

Admiral WASHINGTON. No; I do not; it does not deprive them of the gratuity, but it simply defers it until they have served four years.

Mr. KELLEY. Have you a statement distributing the men in the various ratings as of any given date?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. As of what date?

Admiral WASHINGTON. We have it here by actual count as nearly as we can make the count by going over this very large number of records, and the date is December 31.

Mr. KELLEY. What was the total enrollment on that date?

Admiral WASHINGTON. As of December 31, 131,946.

Mr. KELLEY. There will be a few more in each rating, probably, but not many toward the top.

Admiral WASHINGTON. No.

Mr. KELLEY. Practically all that come in would be at the bottom?

Admiral WASHINGTON. Yes, sir. Out of that number, this may possibly be 1,500 short, because all the returns had not come in.

Mr. KELLEY. There are now probably 135,000?

Admiral WASHINGTON. Not exceeding that; we are getting rid of some them, but I think you can say it does not.

Mr. KELLEY. You can assume, for all purposes of calculation, that 135,000 will be the maximum figure?

Admiral WASHINGTON. For the rest of the year; yes.

Mr. KELLEY. I will ask you to put in the record a statement showing the number in each rating.

Admiral WASHINGTON. Very well.

Mr. KELLEY. In figuring the pay of the Navy the same percentages of reenlistments, of course, could be figured that you gave when we were considering this question of the four months' pay.

Admiral WASHINGTON. Yes, sir; that is what we would figure on. Of course, if there are hard times during the next year we may get a bigger percentage of reenlistments, but if not we will perhaps not get that many. The last six months have shown such an extraordinary increase in reenlistments that the previous records really afford us no good ground to base an estimate on, and we have taken it for the past six months and said that 60 per cent would probably cover it, although it may not.

Mr. KELLEY. Taking the ratings of chief petty officers, you figure that of those who retire 90 per cent will be expected to reenlist?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. The same thing would be true of petty officers, first class?

Admiral WASHINGTON. We estimate 60 per cent, but that may be an underestimate.

Mr. KELLEY. It is 90 per cent of the chief petty officers?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And 60 per cent all the way below?

Admiral WASHINGTON. Yes, sir. But I am inclined to believe that that 60 per cent is more likely to be an underestimate rather than an overestimate. We have no figures to go on prior to the war, when our reenlistments were nothing like what they have been during the past six months.

Mr. KELLEY. I think that gives all the needed information, so that the Bureau of Supplies and Accounts can make a redraft of the pay of the Navy.

Admiral WASHINGTON. Capt. McCain says the warrant officers, which I did not give you on the list, will make up the difference in our two totals; what I gave you were the commissioned officers on the active list, and with the warrant officers the number fits accurately into the number you mentioned. What I read to you were the commissioned officers. Take this estimate for apprentice seamen—in which we have stopped all enlistments and are bringing in no more—on December 31 we had 28,996, and assuming that there will be no further enlistments during the next six months, which is probably the case, we would start off on June 30 next with 17,297 in that rating, and going on and making the same assumption for all the other ratings we would have on June 30, 1921, a navy consisting of an enlisted force of 117,808, the appropriation for the past year being for 120,000 men; we are trying to average that much, and all of these petty officers are based on a navy of 143,000, which we have not yet even reduced to 120,000.

Many of them, particularly those in the higher ratings, are those who during the war served on transports, on N. O. T. S. vessels, and others, and as the vessels went out of commission those men were turned back into the Navy, so that we have an excess in certain of the higher ratings, more than we care for, and we will not be able to get rid of them until the expiration of their enlistments, and not even then if they choose to come back, because, under the law, with an honorable discharge, we are required to reenlist them. The number of them is gradually going down, but we will have them for some time yet.

Mr. Wood. You say that no matter if you have an excess of men of a certain class and they desire to reenlist you must take them back and put them in that same class?

Admiral WASHINGTON. That is required under the law. The law states that any honorably discharged man who presents his discharge and requests enlistment within four months of the date of his discharge shall be reenlisted in the rating from which he was last discharged. It is not a matter that is optional with us; we have to take him.

Mr. Wood. No matter whether you need him or not?

Admiral WASHINGTON. Yes, sir.

Mr. Wood. That would be a pretty good place for a little reform, Mr. Kelley.

Mr. KELLEY. Yes. What would you think about a provision which would put the discretion in the Navy and not in the men?

Admiral WASHINGTON. I think it would be bad; I think it would be very unfortunate. We have been struggling for a great many years to get permanency in petty officers, and to do anything which would destroy that permanency would be bad for the Navy.

Mr. Wood. Suppose it would be the policy of Congress to reduce the Navy? With this law still on the statute books it could not be done.

Admiral WASHINGTON. The efficiency of the men would be very much hurt if we destroyed the status of the petty officers.

Mr. Wood. How would you destroy the status of a petty officer if the discretion were lodged in you with reference to his coming back into the Navy? It would only take away from him the right

to say whether he would come back of his own volition or at your invitation.

Admiral WASHINGTON. If he is an honorably discharged man, he is, in all probability, a man who has served anywhere from 4 to 20 years, so that he is a very valuable man for the Navy; he has made that his life's calling, and he went into it, we will assume, with the idea that it would be his life's calling, and to tell him that after having served for 5, 10, or 20 years the Navy will no longer take him, I think, would have a very discouraging effect.

Mr. Wood. Suppose Congress should reduce the Navy from the number of men now provided for; in that event some provision would have to be made which would materially interfere with this business in regard to reenlistment, but it might be so arranged that those who did remain after the reduction might have the right of re-enlistment as they have it now, but it would be absolutely impossible to reduce the Navy if all of these fellows who wanted to reenlist had that right without any restrictions.

Mr. KELLEY. I imagine Mr. Wood has in mind that there might be a general world policy of reduction. I do not know how strongly Mr. Wood is inclined to that.

Mr. Wood. I am very strongly inclined to it. I am free to say that it is a travesty upon our boasted civilization to say that we are spending 80 per cent of all our money for wars that have been fought and in preparing for war in the future. We have done it ever since 1812, and it is pretty nearly time for us to get away from it.

Mr. KELLEY. If that did come, there would have to be a reduction in all these ratings.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And if that were accomplished, the same principle should remain that those who wanted to reenlist would have the right to do so, as an incentive for making the Navy a life work.

Admiral WASHINGTON. Yes, sir. These numbers are working themselves down constantly; it is something we can handle ourselves, and I think anything which was done to make the enlisted man think that we were breaking faith with him would have a very ill effect on the morale of the Navy.

RETAINER PAY AND ACTIVE SERVICE PAY OF NAVAL RESERVE FORCE.

Mr. KELLEY. There is a provision in the bill carrying \$17,490,307 for the Naval Reserve Force. I wish you would analyze that for us.

Admiral WASHINGTON. That pay is for the number of officers and men who have been confirmed in their ratings and those who have not been confirmed. The reserves, as you know, during the war amounted to a total of about 310,000, and the maximum number of officers reached in November, 1919, was 30,829. The details, as I have them here, were made up for active duty pay of officers on active duty at sea, a total of 570, amounting to \$995,447, and those on active duty ashore, a total of 273, amounting to \$719,110, making for the pay of those officers a total of \$1,714,557. Now, the retainer pay of these officers—which varies according to their grade and amounts to two months for any year when on active duty under training—was \$854,105; the officers on a confirmed status, 13,581, and their pay amounts to \$3,416,422, and officers not confirmed, approximately

10,000, and their pay was estimated at \$120,000, that is, \$12 a year. That totals \$4,390,527. For the active duty pay of the enlisted men and the reserves under training, the amount estimated is \$2,461,200; for the enlisted men confirmed in their ratings, of which we estimate 60,000, the amount is \$8,204,223, and for the enlisted men not confirmed in their ratings, which we also estimate at 60,000 at \$12 a year—the amount is \$720,000, making a total of \$11,385,223, and a grand total of \$17,490,307.

Mr. KELLEY. \$1,714,557 has been computed in pay of the Navy, and should be eliminated here?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. \$17,000,000 for the Naval Reserve Force is a very large amount of money. How are we going to cut it off?

Admiral WASHINGTON. Of course, these men were enrolled for a period of four years, under the law, and their enrollment is a contract similar in all respects to that made with the enlisted men in the Navy for four years, and the law gives them all the rights and privileges when they are serving with the Navy that the enlisted men have. We have been endeavoring to work this reserve down to a seagoing basis and are trying to limit it to 120,000, with a proportionate number of officers, as allowed for the Regular Navy, and I hope that by next year, or the year following anyway, we will have it down to that. The four-year enlistments of these reserves who came in mostly during the war—there were very few of them before the war—expire according to the months as I have them here; some of them go out earlier by resignation, by request for discharge, physical disability, and for other reasons, and then we disenroll them if they leave the country to stay any length of time.

Mr. AYRES. You are discharging them on request, are you not?

Admiral WASHINGTON. Always; we never refuse to discharge them, and they are going out very rapidly. We have been disenrolling them at the rate of about 7,200 a month for the past year; since last January the figures will average about that, and they will soon get down to 120,000. That is the number to which we hope to hold them and that will be an entirely seagoing reserve.

Mr. KELLEY. Do you mean to say it is necessary to make an appropriation of \$17,000,000 for the next year?

Admiral WASHINGTON. No, sir; I think that appropriation can be cut very materially.

Mr. KELLEY. Tell us how.

Admiral WASHINGTON. It is difficult to say how it can be cut, but I think if the committee will give us a lump sum—

Mr. KELLEY (interposing). Of \$5,000,000?

Admiral WASHINGTON. I do not think we can get along with that, because the retainer pay alone, according to these figures, amounts—

Mr. KELLEY (interposing). In the matter of administration, you could facilitate the disenrollment quite rapidly.

Admiral WASHINGTON. We are holding only those with good records, and we are really disenrolling them at a very rapid rate.

Mr. KELLEY. You are keeping those that comply with your rules and regulations?

Admiral WASHINGTON. Yes, sir. Much of this pay will be turned back into the Treasury.

Mr. WOOD. How much of the \$12,000,000 appropriated for the current year will you spend?

Admiral WASHINGTON. The estimate was for \$17,000,000.

Mr. WOOD. But you had \$12,000,000 last year.

Admiral WASHINGTON. I have not those figures, and I do not know, sir. The year is only half gone, and I do not know how much has been spent.

Mr. KELLEY. There will not be any deficiency in this \$12,000,000?

Admiral WASHINGTON. There would be if we had not administered it in this way.

Mr. KELLEY. Admiral, take this item of active duty pay of enlisted men training. Does that mean that that is the pay of the men during the time they are in active training?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. What is the other \$8,204,000?

Admiral WASHINGTON. That is for the men confirmed, the retainer pay. They get two months' pay per year.

Mr. KELLEY. They get paid for two months each year and during the time they are training besides?

Admiral WASHINGTON. For instance, if one was serving with the Navy for a period of 12 months he would really get 14 months' pay.

Mr. KELLEY. Is that true of reserve officers who are serving in the regular Navy? Do they get 14 months' pay per year?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. That is not right, is it?

Admiral WASHINGTON. It ought not to be.

Commander McCAIN. We tried to get that taken out of the bill two or three times.

Admiral WASHINGTON. The provision giving two months retainer pay was in the act of 1916.

Mr. KELLEY. That should be eliminated in some way, should it not?

Admiral WASHINGTON. It ought to be eliminated; it is not right.

Commander McCAIN. For a man who is continued on active duty it ought to be eliminated.

Admiral WASHINGTON. If he is continued on duty for 12 months, then he gets 14 months' pay, and it is not right.

Mr. KELLEY. How did that come about?

Admiral WASHINGTON. That is the law. When the act of 1916 was passed it was not contemplated that we would call them all into the war service so quickly. Within six or eight months they were all called to the colors.

Mr. KELLEY. A man in the active service of the Navy gets the regular pay of his grade, and then you give him two months' extra pay because he is a member of the Naval Reserve Force?

Admiral WASHINGTON. Yes; but that is continued only during the war.

Commander McCAIN. We tried to get that taken out in the last appropriation bill, and they left it in.

Mr. AXRES. There are very few of them that are affected by it, are there not?

Admiral WASHINGTON. How many have we serving?

Commander McCAIN. Six hundred and ninety-five. These people on active duty get it, the people who are continuously on active duty.

Mr. KELLEY. Eight hundred and forty-three?

Commander McCAIN. That is the estimate for the year. There are 695 actually on duty.

Mr. KELLEY. The men that are training get two months' retainer pay. How much does that amount to in total pay?

Admiral WASHINGTON. Two months of their rating, whatever it may be. If a man is a coxswain he gets \$120 during the two months.

Mr. KELLEY. If you take them into the service for a month they get another month's pay?

Admiral WASHINGTON. Yes; they get the pay of the Navy.

Mr. KELLEY. How many months' training do you calculate to give these men?

Admiral WASHINGTON. Three months in four years are what are required.

Mr. KELLEY. How much this coming year?

Admiral WASHINGTON. Most of them have done their training during their present enrollment.

Mr. KELLEY. This item of \$2,461,000 should come out?

Admiral WASHINGTON. I do not know. I am not familiar with the pay table.

Mr. KELLEY. This item of active-duty pay of enlisted men training, \$2,461,000. If you have had the training this year, you are not going to have it next year?

Admiral WASHINGTON. They get confirmed pay for two months in the year.

Mr. KELLEY. That confirmed pay is another item, \$8,204,000. I am speaking of those who are in training. You do not intend to have them this coming year?

Admiral WASHINGTON. We cut it down very materially, because I understand the purpose is not to give us the money for it, so they will have to be reduced. We will not have the mileage to bring them to the coast. But I would not like to make any recommendation—

Mr. KELLEY. Where the money should be provided, undoubtedly, is for the officers that have been confirmed.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And for the men that have been confirmed?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. You could leave out training and disregard everything else.

Admiral WASHINGTON. We have got that large number who are being paid this year.

Mr. KELLEY. That is only \$720,000.

Admiral WASHINGTON. A total of \$840,000.

Mr. KELLEY. Then you intend to disenroll as rapidly as you can those who are not confirmed?

Admiral WASHINGTON. Yes.

Mr. KELLEY. They go out by expiration of enlistments, and quite a number of them will not reenroll?

Admiral WASHINGTON. A great many of them will desire to be reenrolled, but unless they meet the requirements they will not be reenrolled.

Mr. KELLEY. Of the 60,000 that are confirmed, how many do you think will be with you during the next year?

Admiral WASHINGTON. 8,590 confirmed, sir. That is up to July 1 next. You do not care for those?

Mr. KELLEY. No; how many will you have on the 1st of next July in the confirmed list—of men?

Admiral WASHINGTON. We will have less than that.

Mr. KELLEY. Men, I am talking about.

Admiral WASHINGTON. Yes, sir; we will have in the confirmed list about 51,000.

Mr. KELLEY. Then they will go out pretty rapidly the next year?

Admiral WASHINGTON. They will go out during the entire year. We will lose 33,000 during the entire 12 months.

Mr. KELLEY. That will run that down to how many?

Commander McCAIN. Do you want the average?

Mr. KELLEY. Yes.

Commander McCAIN. Forty thousand men.

Mr. AYRES. If they should comply with the existing law, would you have to take them back as reserves?

Admiral WASHINGTON. No; not as reserves. There are 8,000 going out in the first six months and 25,000 in the second six months.

Mr. KELLEY. Will you put in the record a statement showing the number of men you will confirm from the 1st of next July, and each month thereafter, during the following year?

Commander McCAIN. Yes.

JANUARY 15, 1921.

Following is a list containing number of enrolled reservists actually confirmed on January 1, 1921; also estimated number eligible to be confirmed between January 1, 1921, and July 1, 1922:

Actually confirmed Jan. 1, 1921-----	44,700
Eligible for confirmation Jan. 1, 1921-----	75,000
Enrollments expiring prior to July 1, 1921-----	1,308
Eligible to be confirmed July 1, 1921-----	73,692
Enrollments expiring July 1, 1921, to July 1, 1922-----	30,500
Eligible to be confirmed (no reenrollments) July 1, 1922-----	43,192
About 50 per cent of (d) will reenroll-----	15,250
Eligible to be confirmed (with reenrollments) July 1, 1922-----	58,442
Probable additional eligible confirmations-----	15,000

Eligible to be confirmed between Jan. 1, 1921, to July 1, 1922----- 73,442

Mr. KELLEY. You can put that in the record, and we can make up our pay from that.

Offhand, you would say that the average of the men confirmed would be about 40,000, or possibly less than that?

Commander McCAIN. I do not think it will be less.

Admiral WASHINGTON. It could not be less than that. I think it would be between 40,000 and 45,000.

Mr. KELLEY. How about the officers that are confirmed?

Admiral WASHINGTON. Of the officers that are confirmed we have 3,830 left.

Mr. KELLEY. How many will you have on July 1?

Commander McCAIN. We will have 10,000, in round numbers.

Mr. KELLEY. This memorandum that I have here gives officers confirmed as 6,790. Is that about what you figure it will be next year?

Admiral WASHINGTON. Those things are changing all the while. We started out with a total of about 30,800 officers, and we have had a board of officers at work all the while examining the records and confirming them, and these confirmations date back to the time when they were entitled to it as soon as the board reports them satisfactory. At the present time—that is, about the 1st to the 15th of December—we have had 13,581.

Mr. KELLEY. Confirmed?

Admiral WASHINGTON. Confirmed; yes, sir. That board is working all the while, I think. There were 30,000 to begin with.

Mr. KELLEY. All the time confirming them, you mean?

Admiral WASHINGTON. Confirming them and disenrolling them. There were 10,000 of them not confirmed; in other words, they had dropped out, the difference between 30,000 and 23,000, 7,000 were disenrolled. In addition to that, there were quite a large number of them that were in class 4, that were drawing only \$12 a year, and several hundred in class 6 were paid nothing at all, so these officers not confirmed probably include a number in class 6 who draw nothing, and a great many of them that will draw only \$12 a year.

Mr. KELLEY. Of those that are confirmed?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How many officers would there be who would get the two months' pay in their ratings?

Admiral WASHINGTON. According to this figure, there would be 13,581 at the present time.

Mr. KELLEY. Is that figure correct?

Admiral WASHINGTON. Take, for instance, the number that go out, 3,830 of them go out before the 1st of next July, and then, during the succeeding six months, up to December 31 next, 2,293 go out, and then in the succeeding six months, that takes to July 1, 1922, 2,600, so that from that number, if there is no other addition made to it, we will deduct about 8,700, which will leave 5,400.

Mr. KELLEY. Fifty-four hundred men drawing two months' pay?

Admiral WASHINGTON. At the end of the fiscal year 1922.

Mr. KELLEY. So this figure, 6,790, in this pay table, is perhaps the average that they took for the year?

Commander McCAIN. I think so, because the average is 7,100, the way I figured it out.

Mr. KELLEY. Is there any process of administration by which they could reduce that?

Admiral WASHINGTON. Yes, sir; those will all come down. We do not need them all. We do not want anybody except those who are seafaring people, and they will come down very rapidly. Many of them will not care to reenroll under the circumstances, and many of them we will not reenroll of our own accord.

Mr. KELLEY. We can very nearly disregard, can we not, in making up this pay of the reserve force, the men and the officers that are not confirmed? The amounts are not large, \$120,000 for the officers and \$720,000 for the men. In a thing of this kind, where there is so much uncertainty, we can disregard those two elements?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. We could disregard the item of active pay of officers, I mean training, because that training probably will not be much this year, leaving the officers confirmed and the men confirmed as the chief items to be appropriated for?

Admiral WASHINGTON. Yes, sir. There may be one thing which would slightly enlarge that. If we put more or less restrictions on the men coming into the Regular Navy, many of them may go into the fleet reserve. They would be entitled to do it, being honorably discharged men and having served four years or more, and they might go into the fleet reserve, and that would add somewhat to these people who were in the confirmed ratings, officers and enlisted men. It would not be very great, but it would be something.

Mr. AYRES. They would have that privilege—to go into the reserve?

Admiral WASHINGTON. Yes.

BONUS, DISCHARGED WORLD WAR MEN.

Mr. KELLEY. Admiral Washington, the \$60 bonus is figured here at \$2,587,380, which is the \$60 bonus for the whole 43,123 men. My understanding is that 35,000 of those 43,000 are two-year men who came in since the war and would not be entitled to that bonus at all.

Admiral WASHINGTON. Not if it was deferred in accordance with that provision.

Mr. KELLEY. They were enlisted after the armistice was signed.

Admiral WASHINGTON. Those 2-year men, if they come back and reenlist and stay with us four years—

Mr. KELLEY. But this \$60 discharge bonus?

Admiral WASHINGTON. I think that is all settled.

Mr. KELLEY. We can eliminate that \$2,587,000 entirely?

Admiral WASHINGTON. I do not know whether it is all covered, but my impression is—

Commander McCAIN. We are still technically at war. I do not know about that.

Mr. KELLEY. The law provided that any person who came in for enlistment before the armistice was entitled to the \$60 bonus when he retired, but these 2-year men—these 35,000—came in in 1919, a year after the armistice was signed.

Admiral WASHINGTON. Yes; but the war was still on.

Mr. KELLEY. But the law provides that they had to enlist, to get this bonus, between the 7th of April and the 11th of November, 1918, and if they came in between those two dates, whenever they are discharged they are entitled to \$60; but these men did not come in within that time, so we can eliminate that item.

Mr. AYRES. That law says the signing of the armistice?

Mr. KELLEY. Yes; the signing of the armistice.

Admiral WASHINGTON. I do not know why it was inserted in here.

Mr. KELLEY. It was a mistake.

Admiral WASHINGTON. It looks like they must have inserted them for some reason.

Mr. KELLEY. I figure that the other 8,000 might possibly be entitled to \$60 bonus unless it had been paid to them before.

Commander McCAIN. I think it is based on this provision here in the act of June 4, 1920. Under that, I think that all people who re-enlist, or 2-year men, are entitled to the bonus.

Mr. KELLEY. These 35,000 are all new men, are just two-year men. That provision means any enlisted man who was serving back prior to that time; it does not mean any new men. These men were not discharged for the purpose of reenlistment. Have you discharged any men in the naval service for the purpose of reenlistment?

Admiral WASHINGTON. I was under the impression it was all over with, because right after the war—in December, 1918, and in the spring and summer of 1919—we discharged great numbers of them for that purpose; that is, for the purpose of reenlisting, and then they got the \$60 bonus. I am not familiar enough with it, because the pay of the men is something that I am not in close touch with.

Mr. KELLEY. So there is not any reason why this appropriation should be carried here?

Commander PORTERFIELD. Not so far as the transfer of reserves is concerned in the next six months.

Mr. KELLEY. If there is any vestige of this \$60 bonus business left, will you please prepare a bit of legislation which will end it before next July, so that it will be eliminated?

Admiral WASHINGTON. Yes.

NOTE.—The proper estimate for payment of the \$60 bonus to all those who are entitled to it under section 6 of the appropriation act of June 4, 1920, shall be \$700,000.

If it is desired to avoid payment of this amount for that purpose, the following clause (new legislation) is suggested:

"That section 6 of the naval appropriation act, approved June 4, 1920, shall be and is hereby repealed."

While this clause will accomplish the purpose of saving \$700,000, it is not believed to be hardly just to the men concerned, and would seem to indicate more or less bad faith on the part of the Government, in that it discriminates against those men who enlisted for four years prior to November 11, 1918, and failed to take advantage of the provision which entitled them to be considered as "duration-of-war men."

NAVAL RESERVE FORCE—RETAINER PAY.

Mr. KELLEY. On page 71 of the bill there is a proviso, that retainer pay provided by existing law shall not be paid to any member of the Naval Reserve Force who fails to train, as provided by law, during the year for which he fails to train. How many cases have you withheld?

Admiral WASHINGTON. A great many. We hope almost to be able to meet the necessities of organizing, maintaining, and keeping up in general the naval force on these figures.

Mr. KELLEY. Give us the figures; how much you will save?

Admiral WASHINGTON. I would not know them. The Bureau of Supplies and Accounts, I imagine, would have them. We would not. They turn in to us a monthly report of the amounts they have checked. We have asked that to be amended. The comptroller has rendered a decision that these checkages must be used during the year in which the checkage is made. The result is that if we did not get this information for March, April, May, and June in ample time it might be too late to use it, and the money could not be used for the purpose checked.

Mr. KELLEY. Will you please get that information from the Bureau of Supplies and Accounts, if that is where it comes from? Perhaps it would require both of you to work it out, but when you get it, will you send it up to us right away?

Admiral WASHINGTON. It would not amount to very much in saving.

NOTE.—The following is a statement showing retainer pay withheld and credited to the appropriation for organizing and administering the Naval Reserve Force, in accordance with the act approved June 4, 1920 (Public, No. 243) :

July, 1920	\$13,446.90
August, 1920	13,446.90
September, 1920	13,446.91
October, 1920	13,446.90
November, 1920	13,446.90
December, 1920	13,446.91
Total	80,681.42

The above amounts were actually checked in the months stated below:

December, 1920	\$49,707.92
January, 1920	30,973.50
Total	80,681.42

Abstracts showing above checkages have been sent in to the Auditor for the Navy Department.

In addition to the above checkages, about 7,000 fractional checkage requests have been received in this office, which are now in process of being charged against the accounts of the men concerned. This work will not be completed for about two weeks, at which time a further statement will be rendered, showing the amount involved.

Mr. KELLEY. The saving of money?

Admiral WASHINGTON. No; because it has been in force only one year. We have not done very much in the way of training the naval militia during the last year, and there would not be very much of a checkage.

Mr. KELLEY. It might run into very large sums of money if allowed to stand in that form, might it not, going back into the organizing fund?

Admiral WASHINGTON. No; it would not amount to very much.

Mr. KELLEY. There is another appropriation for organizing. Will this go back into the Treasury?

Admiral WASHINGTON. This money does not revert to the Treasury.

Mr. KELLEY. It goes into this organizing fund, which also is specifically appropriated for. I do not believe that Congress would take kindly to the idea of an indeterminate fund for this purpose. We would rather make the appropriation what you need for organization, and let this go back into the Treasury. There is a provision which says that whatever you retain can be used for organizing purposes. Will you make a calculation of how much was checked off and how much has gone into this fund?

Admiral WASHINGTON. Yes.

COMMISSIONED PERSONNEL.

(See p. 66.)

Mr. KELLEY. One other question about the officers before we leave this pay of the Navy. Taking the legislation as it stands now, what

will be the status of your reserve officers on the active list after July 1 next, between July 1 next and January 1 next, as to the number, as to your right to keep them, and how many?

Admiral WASHINGTON. There has never been any limit. The active-duty people are only those the department chooses to place on active duty, either for the purpose of training or with the Regular Navy. We are allowed 5,499 officers of the line and corresponding proportions in the staff corps—

Mr. KELLEY. Let me make my question very specific. You are allowed 5,499 line officers?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And not to exceed that number, either as regulars, temporaries, or reserves?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Under existing law can you carry an outside number of 5,499 all of next year?

Admiral WASHINGTON. We can not unless we use that increase due to the Judge Advocate General's recent opinion, which I think was about 240.

Commander McCAIN. What he wants to know is, Can you all during next year utilize 5,499 line officers?

Admiral WASHINGTON. Use them with the ships?

Mr. KELLEY. No; I mean this. You are entitled to 5,499 officers in the Regular Navy, if you had them?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. There are provisions of law which allow you to carry, in addition to your regular officers, some temporary officers and some reserve officers, but the total of those three can not exceed 5,499. From those three sources under existing law can you carry 5,499 line officers all of next year?

Admiral WASHINGTON. No; we would not probably be able to get them.

Mr. KELLEY. I am speaking now of the appropriation end of it, because we are limited to what the existing law is. I understand you might have some desires about changing the law, but I am inquiring now about the existing law. How many officers, under the existing law, can you have between July 1, 1921, and January 1, 1922, that is the six months in there?

Admiral WASHINGTON. We can still hold them to 5,499.

Mr. KELLEY. During the whole year?

Admiral WASHINGTON. All the time; yes, sir.

Mr. KELLEY. You have your Regular Navy, and under the law, by January 1, 1921, you must take over such reserves as you are going to take, not to exceed 1,200.

Commander McCAIN. Temporaries and reserves.

Mr. KELLEY. And temporaries, yes; so that by January 1, 1921, you will have picked out of your reserve officers all of those, under existing law, that the law authorizes you to keep in the permanent Navy.

Admiral WASHINGTON. Yes.

Mr. KELLEY. Why would you want to keep any reserves after you had selected your 1,200 for the permanent Navy?

Admiral WASHINGTON. Well, the complements of the ships and shore stations would require them all, if we fill up to approximately the number of officers we need.

Mr. KELLEY. Your impression is that you have authority to keep those that you do not select for permanent service six months longer?

Admiral WASHINGTON. Yes, sir; under the law.

Mr. KELLEY. But not later than July 1, 1922?

Admiral WASHINGTON. Yes, sir; I think that is the law.

Mr. KELLEY. If you are going to discharge everybody that you do not put into the permanent Navy on the 1st of July, 1922, why would it not be just as well to let them go on the 1st of January, 1922, at the time that you must have made your selections of the 1,200?

Admiral WASHINGTON. Well, we would need a larger number of officers than we would have as a result of those selections.

Mr. KELLEY. It is only for six months that you are keeping those men. They would be kind of hangovers for six months and then they would have to go, so there would not be much use in keeping them after January 1, 1922.

Admiral WASHINGTON. A good many of them will not take the examination, so those will not be affected by reason of their failure to pass. That is what I mean to infer.

Mr. KELLEY. How many have you in the regular Navy?

Admiral WASHINGTON. We have in the regular line 3,209, as of November 1.

Mr. KELLEY. When you take in the 1,200 that will give you 4,409. How many graduates will you have from the Naval Academy next year?

Admiral WASHINGTON. Into the line probably 250. There will be more than that, but the line will only get that number.

Mr. KELLEY. That will give you about 4,659, if you get all of your 1,200 by that time?

Admiral WASHINGTON. Yes; assuming we will get 1,200. I do not think we are going to get more than about 700 or 800. That is what I think would be a rather conservative estimate. While the law authorized 1,200, there will hardly be that number. There have been about 2,100 applicants, and it is not at all probable that 1,200 of those will qualify.

Mr. KELLEY. Of course, on the basis of 100,000 men, the 4,659 would be adequate; but you are figuring on the basis of the authorized strength. Do you not think that, so far as the actual needs would go, you could discharge all reserves after January 1, 1922?

Admiral WASHINGTON. Governor, if the Chief of Operations cuts the floating force down, we would have no difficulty; but so long as the State Department, the War Department, and the Navy Department, working in conjunction, say that that floating force is necessary, it is up to the Bureau of Navigation to provide the officers and men, and that is where the whole hitch lies. It is the foreign policy of the Government, and we are carrying it out.

If we take those reserve officers and temporary officers from the duties they are now performing with auxiliaries, for which they are well qualified, and place Naval Academy graduates in those duties, we will not get more than 50 per cent of the value of the Naval Academy man who is trained for combatant work.

TRANSPORTATION AND RECRUITING.

Mr. KELLEY. Now, we will go back to page 15, "Transportation and recruiting." Last year we appropriated \$3,500,000, and you are asking this year for \$6,000,000.

Admiral WASHINGTON. The \$3,500,000 appropriated last year was, as you remember, a most arbitrary amount sent in by the Secretary, and it had no bearing whatever on the real estimated cost. The cost, as I remember it, was \$12,000,000, a little less than \$12,000,000, and the department was well aware that it was utterly impossible to get along on \$3,500,000; and yet that is all that the Secretary would recommend.

Mr. KELLEY. So that there will be a deficiency this year of \$8,000,000?

Admiral WASHINGTON. We estimated the deficiency finally at \$5,000,000. We are cutting everything down now since we have had the intimation that Congress might not give us the full 143,000 men, and we are trying to arrive at a point where on July 1 we will start as near as possible at whatever lower number of men we will be allowed by Congress for the next year.

Mr. KELLEY. Then your transportation and recruiting, if you stop recruiting and transportation, might not cost much for the rest of the year?

Admiral WASHINGTON. Yes.

Mr. KELLEY. Do you know how much you have spent up to date?

Commander PORTERFIELD. We have spent \$3,040,000 to the 1st of December, as near as I can get it.

Mr. KELLEY. How many men will go out by expiration of enlistments between now and next July?

Commander PORTERFIELD. Eight thousand five hundred, approximately.

Mr. KELLEY. During the remaining six months of this year?

Admiral WASHINGTON. That is correct.

Mr. KELLEY. You will have, of course, to pay their transportation home?

Commander PORTERFIELD. Yes.

Mr. KELLEY. Then you figure that 60 per cent of those will return?

Commander PORTERFIELD. Yes, sir.

Mr. KELLEY. So that you will have to pay transportation for 11,600 men for the balance of the year, if you do not ask for any more?

Commander PORTERFIELD. Stopping first enlistments and reducing down to whatever the authorized strength will be will probably involve a much larger number of discharges. We have already taken steps in the bureau to facilitate discharges.

Mr. KELLEY. Let us confine ourselves to the actual expiration of enlistments for a moment. That will be 11,600 men that you know will have to have transportation?

Admiral WASHINGTON. They will go and come. It will be more than that.

Mr. KELLEY. Not by expiration of enlistments?

Commander PORTERFIELD. No; not by expiration of enlistments.

Mr. ATRES. That would be 13,600.

Mr. KELLEY. Yes; 13,600. I made a mistake. Now take honorable discharges, where you have to pay their fare home. How many will there be of those?

Admiral WASHINGTON. We figure about 6.6 per cent of the total number.

Commander PORTERFIELD. 6.6 per cent of the total strength of the Navy.

Mr. KELLEY. Of 135,000?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How many will that be?

Commander PORTERFIELD. I did not work this out.

Mr. KELLEY. You said you had a \$12,000,000 deficiency, and I wanted to know how it came. Six and six-tenths per cent of 135,000 would be 8,910, would it not?

Commander PORTERFIELD. Yes, sir.

Mr. KELLEY. Will you have any other transportation to pay?

Commander PORTERFIELD. Yes; the average cost of transferring men in the service is 53 cents per month per man.

Mr. KELLEY. Let us figure this \$38 proposition. You will have 22,510 men that you will have to send home or bring back. That will cost \$855,380. You have spent \$3,040,000, and you have an appropriation of \$3,500,000, so you will not have a \$12,000,000 deficiency if you do not reenlist any more?

Commander PORTERFIELD. If we do not reenlist any; no, sir.

Mr. KELLEY. How can you reenlist more and keep your average below 120,000?

Commander PORTERFIELD. If we stop all first enlistments they will not be enlistments.

Mr. KELLEY. The understanding was, you know, that the average for the year would be 120,000. Have you not reached the limit of your enlistments on that basis? No matter what we do the following year, have you not enlisted for this year all you can?

Commander PORTERFIELD. The chief of the bureau feels that a man with an honorable discharge is entitled to reenlist.

Mr. KELLEY. I am talking about new enlistments. Have you not reached the limit of new enlistments, no matter what we do?

Admiral WASHINGTON. There will be no more enlistments made of recruits.

Mr. KELLEY. Then how do you get the deficiency that you speak of?

Admiral WASHINGTON. This deficiency we sent in at the time was based on not reducing the Navy.

Mr. KELLEY. I know, Admiral, but it was specifically understood all along that the average for the year should not be more than 120,000?

Admiral WASHINGTON. That is about what it will be.

Mr. KELLEY. You could not recruit up to 143,000, or anything like that, without raising your average or making a deficit in the pay of the Navy, so there must have been a misapprehension as to this \$12,000,000 deficiency?

Admiral WASHINGTON. I did not figure \$12,000,000.

Mr. KELLEY. You did not, but somebody did.

Admiral WASHINGTON. \$3,500,000, I think it was.

Commander PORTERFIELD. We asked for \$5,000,000, but since we have stopped enlistments we figure it will be reduced to \$3,000,000 or \$3,500,000.

Mr. KELLEY. The amount sent up here finally was only \$1,500,000. Admiral WASHINGTON. \$1,500,000 finally.

Commander PORTERFIELD. The Secretary sent that estimate up.

Mr. KELLEY. Even that is too much, is it not?

Commander PORTERFIELD. I do not think so, sir.

Admiral WASHINGTON. That amount, \$1,500,000, was sent up without, as far as I know, any consultation whatever as to the figures, or anything else. The first intimation I had that it was \$1,500,000 was when the Secretary sent up a list showing what he had sent in. Whom he consulted I do not know, sir.

Mr. KELLEY. When you stop to consider that you have reached the limit of new enlistments six months ahead of the end of the year, it is then a question of arithmetic as to how much it will cost to send those home whose term of enlistment expires, how much it will cost to bring those back who reenlist, how much it will cost to send those home who are discharged, and how much it will cost for any movement with the Navy itself.

Commander PORTERFIELD. Transfers of the men in the service.

Mr. KELLEY. The transfers of the men in the service when you had a Navy all shot to pieces and you had to take them from one place to another all over the United States was a big item, but now, when your men are all placed, the transfers from one ship to another will not cost very much?

Admiral WASHINGTON. They are not all placed yet, sir. Then, men who go out will have to be replaced by transfer.

Mr. KELLEY. They will not have to be replaced.

Admiral WASHINGTON. For instance, the vacancies in the Pacific Fleet, in the China Fleet, or in the European stations may have to be filled.

Mr. KELLEY. You are not going to send those by rail from the Atlantic over to San Francisco?

Admiral WASHINGTON. They go mostly by rail; yes, sir.

Mr. KELLEY. Why do you not take them around by water when you take the ships around?

Admiral WASHINGTON. The ships do not go frequently enough, and it is too irregular, and, generally speaking, the transports do not have the accommodations. If we had the transports, it would be an easy matter, and the expense would be put at some other appropriation for coal or an expense of that kind. As it now stands, they will, for instance, train at the Great Lakes Training Station, and mostly all come by rail from one side or the other. Our custom has been to send them, upon completing training, from the Great Lakes to the west coast, and that transportation is quite expensive. When we send them to Europe we use to the very best of our facilities the Army Transport Service, which generally goes to Antwerp, and from Antwerp they would have to travel to wherever their ships may be. When they go to China stations we send them out from San Francisco by Army transport.

Mr. KELLEY. The number that would be sent to Europe or China during the next six months would be comparatively small, would it not?

Admiral WASHINGTON. It might not be. I have not looked into it.
Mr. KELLEY. There are only 2,000 or 3,000 men at that China station all told.

Admiral WASHINGTON. Something like that.
Commander PORTERFIELD. I think it would be comparatively small.
Admiral WASHINGTON. It would not be very great, because we usually have an excess of men in those stations.

Mr. KELLEY. You do not think it would take anything like 53 cents a month per man?

Admiral WASHINGTON. That has been what it has averaged.
Mr. KELLEY. That is the average for 135,000 men for a year?
Commander PORTERFIELD. That is for a year; yes, sir.

Mr. KELLEY. That would be \$405,000 for six months, or \$3 per month.

Capt. ENOCHS. Admiral, may I suggest that you gave Mr. Kelley a wrong impression. You said that you sent a great many from San Francisco by rail. We do not do that unless it is absolutely necessary.

Admiral WASHINGTON. The men from Chicago would have to go by rail, because we have no other means of getting them there. We usually avail ourselves of water transportation wherever possible.

Mr. KELLEY. You do not think that in the next six months, with recruiting stopped, it would cost us anything like \$405,000 to shift the men about within the Navy?

Capt. ENOCHS. We have had to do quite a bit of that, on account of the new construction going on, moving men up and down the coast.

Mr. KELLEY. I understand that during the last year the Navy has been in a very crippled condition, and you have had to shift men around because of the greenness of the men.

Capt. ENOCHS. Yes, sir; and the shortage.

Mr. KELLEY. That was to be expected during the last year, but simply because you had to do that when your ships were being filled up and when your men were being assigned to ships, that does not mean that you have got to keep that up after things have settled down?

Capt. ENOCHS. For instance, we have about 20,000 men at the training stations and all of those have got to be moved.

Mr. KELLEY. They have got to be brought to the ships?

Capt. ENOCHS. A large number of those will go to the west coast and they have got to be moved. A great number of those from Chicago have got to be moved.

Mr. KELLEY. Those from the Chicago training station would probably have to go across the continent?

Capt. ENOCHS. Yes, sir.

Mr. KELLEY. And those on this side would be picked up by the ships, and those in San Francisco would be picked up by the ships, so it is a question of the Chicago station?

Capt. ENOCHS. That is going to last. We have six more torpedo-boat destroyers that we are going to man. They will be moved down to Charleston and Charleston will recruit them.

Admiral WASHINGTON. Some consideration must be paid to the fact that if we reduce the enlisted personnel from what it is at present, 135,000, there will be more shifts among the ships than there would be otherwise.

Mr. KELLEY. I think you will find that that will work out all right, Admiral.

Admiral WASHINGTON. There is going to be more, but how much we can not figure on.

Capt. ENOCHS. You are quite right about that. If we reduce now, it is bound to necessitate shifts about.

Admiral WASHINGTON. And then, if we take these men from the shore stations and reduce that number, they have got to go to the fleet, and the increased transportation there will be material.

Mr. KELLEY. If we allowed for a deficiency of \$1,260,380, that would make your present year's appropriation for this item \$4,300,000.

Commander PORTERFIELD. The item for the transportation of the sick, etc., must be added to that.

Mr. KELLEY. Is that taken care of in this 6.6 per cent?

Admiral WASHINGTON. No.

Commander PORTERFIELD. The 6.6 per cent are the men honorably discharged and also the expirations of enlistment.

Mr. KELLEY. I mean, does not the item for the movement within the fleet take care of sending the sick ashore?

Commander PORTERFIELD. No; I did not work it out that way. I worked them out separately. The item for the sick does not amount to so much.

Admiral WASHINGTON. If we reduce the Navy from its present strength of 135,000 men down to the number which Congress may appropriate for, we are going to apply higher physical standards to those that are in. We have a list of defects, and there will be more discharges from the Navy due to undesirables and things of that kind, and we will be sending boys home that we would not otherwise send.

In other words, we are going to send home a great many that we would not send home if Congress did not reduce the authorized strength of the Navy. This will carry it beyond 6.6 per cent, very considerably beyond; how much I do not know. Last week, for instance, we sent out instructions to all the training stations to use rather wide discretion in discharging any of these recruits who, after a very moderate stay there at the station, did not seem to measure up to the standards, and those boys will be sent home and paid this five cents a mile to wherever they live. They will be in addition to these numbers we have been computing on.

Mr. KELLEY. Let us take it from next July. You said you would have 117,000 on the first of July.

Admiral WASHINGTON. About that number; yes, sir. We want to reduce below that, if possible.

Mr. KELLEY. The figures we had here made it 115,000. Beginning on July 1, 1921, how many men will retire from the Navy by expiration of enlistment during the following 12 months?

Admiral WASHINGTON. Forty-three thousand one hundred and twenty-three.

Mr. KELLEY. And, of course, you will have to pay their fare home?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. If you get 60 per cent of those back, that will bring about how many back, 25,874?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Then, so far as expiration of enlistments goes, we must provide transportation for 68,997 at \$38 per man?

Commander PORTERFIELD. \$2,621,886.

Mr. KELLEY. That is the amount necessary to take care of the men whose enlistments expire. What other charges are there? After July 1, 1921, when the numbers will fall off considerably who might desert or be discharged for honorable reasons, how many do you figure would be discharged for honorable reasons during those 12 months, out of these 117,000 men?

Commander PORTERFIELD. We usually have 6.6 per cent of discharges.

Mr. KELLEY. Of course, I just call your attention to the fact that you have got to use the same figures about that here. If you figure that 6.6 per cent of those 117,000 will be honorably discharged, you ought to take it out of the pay of the Navy, too. You can not figure one way on one and another way on the other. I would think that would be excessive here.

Admiral WASHINGTON. 6.6 per cent.

Mr. KELLEY. After you have shaken your navy down, as you will between now and the 1st of July, I do not believe your experience during the past six months would guide you, and that you would not have that many people leaving the Navy by honorable discharge.

Admiral WASHINGTON. We probably would not after we had weeded out, you mean?

Mr. KELLEY. Yes; it seems as though that would be changed. We would not figure on the pay of the Navy on that basis, or we might reduce that too low. I just call your attention to this, because the same rule would apply in both places.

Admiral WASHINGTON. If you take it out of pay of the Navy, some of that 6.6 per cent are going to be in there for practically the whole 12 months.

Mr. KELLEY. You would have to take the average for the year. I presume this 6.6 per cent should be figured on the basis of 100,000 rather than 117,000, because that is a gradually reducing quantity. Suppose we figure 6.6 per cent and see how it will work out. On 100,000 that will be 6,600 men at \$38. What do you get?

Commander PORTERFIELD. \$250,800.

Mr. KELLEY. Now, take the item for the sick. You said that was sixty-nine one-hundredths of 1 per cent.

Admiral WASHINGTON. Fifty-three one-hundredths.

Commander PORTERFIELD. We skipped the item for transfer of men in the service.

Mr. KELLEY. The sick receiving transfers amounts to sixty-nine one-hundredths of 1 per cent.

Admiral WASHINGTON. That figures 286 on the basis of 100,000 men.

Mr. KELLEY. Two hundred and eighty-six men?

Admiral WASHINGTON. Two hundred and eighty-six men.

TRANSPORTATION OF SICK AND INSANE.

Commander PORTERFIELD. That is for men discharged. For the transportation of the sick and insane, on the basis of 100,000, it would be \$62,909.70.

Mr. KELLEY. Sixty-nine one-hundredths of 1 per cent would be 690 men, and you have that figure at \$80 per man, is that it?

Commander PORTERFIELD. Yes, sir. Sixty-nine one-hundredths of 1 per cent will be sent to the Las Animas Tuberculosis Hospital, and the average fare there would be \$200.

Mr. KELLEY. That makes \$55,200 for the sick?

Commander PORTERFIELD. Yes.

TRANSPORTATION OF NAVAL RESERVES.

Mr. KELLEY. Then you have an item of transfers to naval reserves, \$30,000, a fixed amount?

Commander PORTERFIELD. Yes, sir.

APPREHENSION OF DESERTERS.

Mr. KELLEY. And some civilian auxiliaries, \$500, and for the apprehension of deserters. How much will they get—\$4,000?

Commander PORTERFIELD. Some of that money is used for the purchase of railroad guides.

RECRUITING.

Mr. KELLEY. You will probably have to have a little money for the expense of recruiting for a couple of months.

Admiral WASHINGTON. We will recruit toward the end and get that organization started up again.

Mr. KELLEY. Suppose we allowed two months for the organization expense there?

Admiral WASHINGTON. Two months would be all right if we did not have the initial expense for the purchase of desks and furniture.

Commander PORTERFIELD. It takes three months to build it up.

Admiral WASHINGTON. If we started out with the organization we have to-day it would not cost anything to speak of, but you have got to figure on the cost of sending men back to the stations, paying their expenses there, getting furniture for them, etc.

Mr. KELLEY. You will not send so many back, probably.

Admiral WASHINGTON. We will not send them; we will not need them.

Mr. AYRES. What are railroad guides?

Commander PORTERFIELD. Books containing the train schedules of all the railroads in the country.

Admiral WASHINGTON. They cost \$12 apiece, and we have to have them in order to make proper train connections when transferring recruits.

Mr. KELLEY. Do you mean that the expense of recruiting, the expense of advertising, the expense of maintaining the officers, etc., is \$100,000?

Admiral WASHINGTON. No, sir; the first item there, expense of recruiting, is \$100,000. I think I submitted \$78,000, but that was on the basis of 80,000 men in the Navy, and we cut out the recreation for the enlisted men as we also cut out everything that was not absolutely essential to the Navy.

Mr. KELLEY. You wanted \$78,000, even though you shut these places up? If we are going to do this, we do not want these men to remain at these stations.

Admiral WASHINGTON. We do not want that, and we have called them in. They are already closing up as rapidly as they can come back to ship and shore service.

Mr. KELLEY. We want to provide you toward the end of the year with a reorganization fund.

Admiral WASHINGTON. We have got to have some recruiting, because we will not be able to maintain even 100,000 men on our present number of 135,000. We will go away below it. We will have to recruit some, and recruiting will go on about 2,000 a month.

Commander PORTERFIELD. Two thousand reenlistments a month. If you get to 2,000, there will be 5,000 enlistments a month. That is considerable recruiting.

Mr. KELLEY. How could you have 5,000 a month?

Capt. ENOCHS. All of the reenlistments are done at these recruiting offices.

Admiral WASHINGTON. A man may enlist in Omaha, Nebr., and we would have to pay his transportation to some receiving ship, or wherever he goes to.

Mr. KELLEY. That is a minor expense of the office, after all?

Admiral WASHINGTON. The office has to be open, because if we reenlist a man in Omaha the Government would have to buy his railroad ticket from Omaha to San Francisco.

Mr. KELLEY. You do not expect to keep open all the recruiting stations just to get back the reenlisting men?

Admiral WASHINGTON. Just the main stations.

Capt. ENOCHS. Forty-eight stations, with skeleton organizations. We have closed 300 already, or ordered them closed, involving about 700 men.

Admiral WASHINGTON. We have got to do that, because the men are all over the country, and when a man comes with an honorable discharge we can not expect him to pay \$125 for a ticket to San Francisco or Seattle or New York, to report on board ship, but we would take him to the place where his home is, or where the nearest recruiting station will be in the future, and from there on we would pay his transportation to the point where he joins his ship.

TRANSPORTATION OF DEPENDENTS.

Mr. KELLEY. You have an estimate for the transportation of the dependents of men, \$26,159; is that right?

Admiral WASHINGTON. That is probably a very inaccurate estimate. We have very little data for this estimate.

Mr. KELLEY. On the basis of 100,000 men?

Admiral WASHINGTON. Yes.

Mr. KELLEY. How did you get that? We took that from your letter.

Admiral WASHINGTON. I am afraid you laid a great deal of stress on that 80,000 letter.

Mr. KELLEY. No; according to your letter, 80,000 cost more than 100,000.

Admiral WASHINGTON. For transporting recruits?

Commander PORTERFIELD. There is no extravagance in the item for transportation. It is done under the law, and it may be more or less.

Admiral WASHINGTON. You have not included item 2. That is larger than the estimate you have there.

Mr. KELLEY. We have taken every man that is going out, every man that is coming back, every man that is moved around, every man that is sick, every man that is insane, and the dependents of everybody entitled to transportation and we have got them home, and it seems to figure up \$3,144,299.

Admiral WASHINGTON. You have made no allowance there for movement within the fleet.

Mr. KELLEY. I think we figured that the Navy was well settled down, so that the old rule would not apply.

Admiral WASHINGTON. Fifty-three cents per month per man?

Mr. KELLEY. That would be \$600,000.

Commander PORTERFIELD. \$636,000.

Mr. KELLEY. Do you think it would take \$636,000 to move the men within the fleet?

Commander PORTERFIELD. Yes, sir; I think the Navy will have to be reorganized absolutely. I mean there will be a lot of ships forced out of commission, a lot of them.

Admiral WASHINGTON. I can give you a list right here from the Chief of Operations, on this basis, of ships that will have to go out of commission.

Mr. KELLEY. They will not go out?

Admiral WASHINGTON. You can not keep them in.

Mr. KELLEY. You will take 1,500 men out of these recruiting stations and 2,000 or 3,000 men employed at our training schools and put them on the ships?

Admiral WASHINGTON. We are building up all the while the shore stations, from the radio, the hospitals, and the aviation. We can not help it. The radio and aviation are activities we did not have three years ago.

Mr. KELLEY. That is 6,500 men?

Admiral WASHINGTON. No, sir; we will have practically 9,000 men in the near future if we build up.

Mr. KELLEY. If you build them up.

Admiral WASHINGTON. If we take charge of all these things that the law now contemplates.

Mr. KELLEY. There is no doubt in my mind but what there is a great waste of men that will be gathered in when necessity for men on ships begins to press a little.

TRANSPORTATION AND RECRUITING—SUMMARY OF REQUIREMENTS.

Mr. KELLEY. Just to be sure that we have covered the recruiting item, your figures indicate that you would need the following sums: For transportation of men whose terms of enlistment expire and the 60 per cent of those who are expected to return, \$2,621,886; for the transportation of those who are honorably discharged and not entitled to discharge by reason of the expiration of their enlistments, \$250,800; for transportation to hospitals, \$55,200; for the transportation of the naval reserve, \$30,000; for the transportation of auxiliary

crews and officers, \$500; for the transportation of officers or others apprehending deserters, \$4,000; for expenses of recruiting—the establishments which you think must be kept in a certain state of readiness—\$78,000; for rent of recruiting stations, \$75,000; for advertising, \$2,000; for the transportation of the families of dependent men, \$26,109; for the transportation and expenses of officers in and about recruiting stations, \$2,000; and for internavy movements, \$636,000; making a grand total under this item, as you have submitted it, of \$3,781,495. Have I mentioned everything that should be charged in this item?

Admiral WASHINGTON. Of course, item 5, transportation of reserve force, \$30,000, means practically no transportation—that is, it means no training. That was given to you on the basis that the Navy would be reduced to 80,000 enlisted men. We have cut out everything that was not regarded as essential for the Navy, but, of course, if we have any training for the reserve, that \$30,000 is not going to be enough.

Mr. KELLEY. What other figure had you considered?

Admiral WASHINGTON. We figured that for 100,000 men it would be \$303,000, but we can control that by ordering or not ordering these reserves to perform their training, and if the amount allowed is only \$30,000 that really means that none of them will be trained.

Mr. KELLEY. That is about what you are planning to do?

Admiral WASHINGTON. No, sir; not unless we are forced to it, because we do not want to entirely destroy the training of reserves. To give nothing to cover their expenses to and from the ships would, of course, do so. Again, the cut made in the item of recruiting, to \$78,000, was a cut from \$378,000. In making those estimates on the basis of 80,000 we just took out those things that the Navy could not live without.

Mr. KELLEY. I am putting this on the basis of no new enlistments. Of course, there will be some, perhaps, if we put on a limit of 100,000 men, but in all the discussions from this point on I think you can figure pretty generally on the elimination entirely of new enlistments.

Admiral WASHINGTON. I do not think so; we have got to have some or we can not maintain ourselves. Of course, if we knew the number you were figuring on, then it would be easier for us to give you a better estimate of what we thought would be necessary to fill it up, but we have taken the conditions and eliminated these men by actual expiration of enlistments and then took 60 per cent on the basis that they would reenlist, and have considered that the ideal condition. But we never approach that in actual practice. We figure from past experience that we are possibly going to have to recruit from 1,500 to 2,000 men a month.

Mr. KELLEY. How could you figure any such thing? You must take some figures, and you can not switch them all around. If you are going to give us a certain percentage of reenlistments we must take those as a basis and figure from them. We figure on whatever is the result of your experience, then we must stay there; when we establish those figures we must proceed all along the line on that same basis.

Admiral WASHINGTON. We can assume that the transportation features of it will probably be met.

Mr. KELLEY. We developed this morning that you would have 117,000 men on the 1st of July without recruiting any more between now and then.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And then, taking into account expiration of enlistments alone, it would run down during the course of the year to about 98,000 men, and you would have an average of about 105,000 during the year, although you thought you would probably lose some in addition.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. But not anything like as many as you would between now and the 1st of July because of other reasons than the expiration of enlistments?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. So that it looks to us as though the Navy, as it stands now, if administered as you will administer it, is just about a 100,000-man proposition, without any new men coming into the Navy at all. From 117,000 you run down to 98,000, and have an average of 105,000.

Admiral WASHINGTON. But if that condition is not met—

Mr. KELLEY (interposing). We figure it on all the information you have given us.

Admiral WASHINGTON. Yes, sir; that is all we have.

Mr. KELLEY. That is all you have, all we have and all Congress has, and that is all anybody can expect.

Admiral WASHINGTON. But what I am referring to now is that if we cut out the facilities for recruiting and we find our estimate is wrong, is not sufficient, then we are up a tree, and I doubt whether \$78,000 will give us enough with which to recruit.

Mr. KELLEY. What would seem to me to be the situation is that we want the recruiting stopped and settle the Navy down, eliminating such men as you think ought to go out, boys who have come in immaturely, and taking a year in just settling down and having the very best men left in the Navy that you can provide for, and it appears to be about a 100,000 men proposition. If we use all the information you have given us—and apparently all you have on the subject—we can not inject into it mere doubts which would change the figures.

Admiral WASHINGTON. But it would leave us nothing.

Mr. KELLEY. I think it will be to your advantage to pull in all of these men, put them on the ships for a year and get these shore stations reduced to the minimum for once, and then we can build them up again as we need to. I think the same doctrine if applied to the training schools will help you immensely. They are seeking to maintain at the maximum that great institution at Chicago, the one at Hampton Roads, and everywhere else. Now, if you close them up for a few months and start them again you can start according to your needs.

Admiral WASHINGTON. If everything works out as we now estimate undoubtedly you are correct, but practice has not shown that we can rely on that. If we stop and appropriate nothing for recruiting, in the event that we have made a miscalculation, then we

are badly off. Then we may drop down to 66,000 men; our figures show that we may possibly drop as low as 66,000 men for the Navy.

Mr. AYRES. You may not get reenlistments to the extent of 60 per cent; it may be 40 per cent.

Admiral WASHINGTON. We may not, and there may be no means of getting the men back. What I am asking for is that the proposition for enlisting the men be maintained; if we do not use the money it reverts to the Treasury; but if we do need the money we will need it badly, and we will be in such a state that the Navy may run down to 60,000 or 70,000 men. We have assumed reenlistments of 60 per cent, but before the war we had nothing approaching that. Suppose 30 per cent reenlist? Then right off you are short 12,500.

Mr. KELLEY. If you take some other premise, you can reach a different conclusion, of course.

Admiral WASHINGTON. But having taken the best supposition—

Mr. KELLEY (interposing). I want you to give us the best supposition that the Navy can substantiate. Then we will have to stand on that and take our chances.

Admiral WASHINGTON. And that supposition is based on the experience of only seven months, and that seven months is following the demobilization of the Navy, so that it is not reliable; if it had gone over the period of a year or two years perhaps it would be more so. But we have based all of this supposition on the seven months ending in December and that is all we have got to go on. We have just gone through a big war; we have had extraordinarily perturbed conditions; we demobilized the Navy from 560,000 men down to 104,000 and then built it up, and on seven months' experience we are basing a navy for a period 18 months ahead. I do not think that is good, and I do not know that it is a good supposition. If we strike out the recruiting and leave no means by which we can revert to it in case we find out 60 per cent is grossly exaggerated, then the Navy is going to be in a bad way; we will have to go to Congress and ask them next year to reopen this thing. I should say that a part of the appropriation for recruiting ought to be left available; \$78,000 is not very much, and when we submitted that estimate of \$78,000 it was for an 80,000 navy and not for a 100,000 navy.

Mr. AYRES. What do you estimate it will cost for recruiting, about \$38?

Admiral WASHINGTON. No, sir; it will be about \$84 per man.

Commander PORTERFIELD. It varies, because for the last fiscal year, counting the salaries of all officers and counting every appropriation involved, it was \$110, and for the calendar year before that it was \$88.

Mr. AYRES. Then the appropriation of \$78,000 would only cover about 7,800 men?

Commander PORTERFIELD. That is all.

Mr. AYRES. And not to exceed 8,000?

Commander PORTERFIELD. No more than that.

Admiral WASHINGTON. That amount would not be of any material help for recruiting.

SERVICE RECORDS.

Mr. KELLEY. On page 17 you have an item of \$50,000 for finishing the work of furnishing to the various States the records of services of men in the Navy.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Tell us the situation about that.

Admiral WASHINGTON. Congress appropriated during the last year \$200,000 for that purpose, and I think the estimate was \$350,-000. By the end of the fiscal year we will have completed about three-fourths of the work, leaving one-fourth undone. It would be very bad to stop the thing until all of the records were completed, because if it were stopped no State, then, would have its records in a complete form.

Mr. KELLEY. This is for clerical hire to make up these records?

Admiral WASHINGTON. Entirely. It is a matter which was introduced and fostered by the adjutants general of the various States; the Navy Department has no concern whatever with it except to do the work; we are not interested in it beyond the fact that we keep the records and when the copies are made we turn them over to the adjutant general of the State from which the men enlisted.

Mr. KELLEY. This work is all done in Washington, is it?

Admiral WASHINGTON. All of it is done in the department. The Army and the Marine Corps are both engaged in the same work.

Mr. KELLEY. Why did you not get all of the money in the legislative, executive, and judicial bill instead of putting a part of it in this bill?

Admiral WASHINGTON. There is nothing in that bill; it is all in this bill. The clerks are paid out of the appropriation of \$200,000, and that is all it is for, and for materials, of course.

Mr. KELLEY. Would not this more properly come in the other bill?

Admiral WASHINGTON. I should think it would have come in the other bill, but it was placed in this bill, and the influence brought to bear on its passage was in the Naval Affairs Committee. I think the adjutant general of Kansas was the one most instrumental in pushing it, but there was quite a number of them engaged in it. It was the joint action of many of the adjutants general of the several States. It is a work that is done entirely for the States; we have no concern with it except that we are doing the work.

Mr. AYRES. You ask for \$50,000 to complete the work?

Admiral WASHINGTON. Yes, sir. The work on June 30 will be three-fourths done, and practically all of the money is for the employment of copyists.

Mr. KELLEY. How many employees have you engaged in this kind of work?

Mr. HENKEL. The number varies from 120 to 170, and we have about 120 on the work now.

Admiral WASHINGTON. The rates of pay are generally very low, and the girls stay a few days, a week, or a month, and then they get better jobs and leave us; we can rarely get a full quota of the number we could use on it, and that is one reason why the work is not a little further advanced than three-fourths. For instance, in July and August we were unable to fill up the quota of girls.

Mr. KELLEY. How much of this \$200,000 have you expended?

Admiral WASHINGTON. We probably will have expended every cent of it on the 30th of June.

Mr. KELLEY. And \$50,000 is needed to finish the work?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. That will not last 130 clerks very long.

Admiral WASHINGTON. But we will finish it in three months.

Mr. KELLEY. The people you hire are not under the civil service?

Admiral WASHINGTON. All of them are; yes, sir.

Mr. KELLEY. At a low rate of pay?

Admiral WASHINGTON. They run from \$900 up.

Mr. HENKEL. We have four at \$2,200, but the majority of them are at \$1,100.

Admiral WASHINGTON. The higher-paid employees are those who supervise the work.

Mr. KELLEY. How many records will there be when the work is finished?

Admiral WASHINGTON. There will be nearly 600,000 all told; there are about 30,000 officers and about 560,000 men, as I recall it.

Commander McCAIN. In addition they want the regular officers, and that makes about 610,000 altogether.

Capt. ENOCHS. The total will be about 596,736.

Mr. KELLEY. That is the number of officers and men?

Capt. ENOCHS. Yes, sir.

Mr. KELLEY. That number represents the records for which this appropriation was provided?

Capt. ENOCHS. Yes, sir.

Admiral WASHINGTON. I understand the regular officers are to be added to that, which would make 10,000 more, because they come from various States?

Mr. KELLEY. Are you providing for that?

Admiral WASHINGTON. Well, the \$50,000 will quite likely cover that.

Mr. KELLEY. Then you are paying \$250,000 for the records of 696,736 people?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. About 40 cents a man?

Admiral WASHINGTON. The original estimate was about \$1.10, as I recall it.

Capt. ENOCHS. That was based on the experience of the War Department.

Admiral WASHINGTON. We knew nothing about it. The War Department and the Marine Corps were in it before they got us into it.

Mr. KELLEY. It does not seem to me it should cost 40 cents a name.

Admiral WASHINGTON. There is a whole lot of stuff in the records.

Mr. KELLEY. Just make a general statement as to what is involved.

Capt. ENOCHS. A rough statement of it would be the man's name, the State from which enlisted, when discharged or disenrolled, the different duties performed on different ships, including changes, different ratings and changes in ratings that we went through, and any meritorious services performed.

Mr. KELLEY. Is that all?

Capt. ENOCHS. That is just about it.

Mr. KELLEY. I presume a blank is filled out as to each man and then all of the records sent to the various States?

Capt. ENOCHS. Yes; and we keep a duplicate for our records. We are producing these records for less than the War Department.

Commander McCAIN. The War Department was allowed \$5,000,000 for the same thing.

Mr. AYRES. I presume there are several different records that you have to go through?

Admiral WASHINGTON. Yes; there is a lot of research work. Then, these inexperienced girls we have can not do the work as rapidly as experienced clerks would be able to do it. But they do the work steadily and there is no soldiering on the job.

Commander McCAIN. The filing system is not arranged for obtaining that sort of information, so that it takes quite a good bit of time to locate it; if it were something that we were looking up all the time it would be a different proposition, because the filing system is based on that sort of work.

Mr. FRENCH. Is this a case where \$1,600 or \$1,800 clerks could do more economical work than \$900 clerks?

Commander McCAIN. Well, it took us about three months to fill up this force.

Admiral WASHINGTON. The clerks on this work understand fully that it will continue for only one year, and that every one of them will go out at the end of that year, so naturally they do not want to stay and they get better jobs. Then we try to get other clerks through the Civil Service Commission and the Civil Service Commission says that this is work of a copyist character, that they do not have these copyists, and we can not get them. So we may be 30 or 40 short all the time and in the meanwhile our money is being lost because it has to be turned back at the end of the year; it is not a continuing appropriation. I think that for getting along with three-fourths of it as well as they have they deserve a great deal of credit.

Mr. KELLEY. These clerks get the bonus of \$240, too?

Admiral WASHINGTON. Yes.

Mr. KELLEY. If we do not grant this \$50,000, what will you do?

Admiral WASHINGTON. We will just stop the work, and then the work in no State will be complete, and then we will have the adjutants general of the States and other people here. They told me when this thing was introduced that we need not have the slightest concern about it; that they would see it was put through. I have written letters asking whether the records we have sent were satisfactory, and they have all stated they were extremely pleased, that they were the most satisfactory cards being sent to them by any branch of the Government.

RECREATION FOR ENLISTED MEN.

Mr. KELLEY. The next item is recreation for enlisted men. You had \$800,000 for the current year and you want \$800,000 for the next year.

Admiral WASHINGTON. In addition to that there has gone in a request for \$539,000; the Secretary sent it in a few days ago, but I do not know whether it came to your committee or to the Committee on Naval Affairs. Last week he took it up with the Naval Affairs Committee and discussed it with them before taking it up here.

Mr. KELLEY. What was that for?

Admiral WASHINGTON. That was for libraries and the instruction of enlisted men.

Mr. KELLEY. That was a school project of some sort?

Admiral WASHINGTON. Yes, sir.

Admiral WASHINGTON. It might not be. I have not looked into it.
Mr. KELLEY. There are only 2,000 or 3,000 men at that China station all told.

Admiral WASHINGTON. Something like that.
Commander PORTERFIELD. I think it would be comparatively small.
Admiral WASHINGTON. It would not be very great, because we usually have an excess of men in those stations.

Mr. KELLEY. You do not think it would take anything like 53 cents a month per man?

Admiral WASHINGTON. That has been what it has averaged.

Mr. KELLEY. That is the average for 135,000 men for a year?

Commander PORTERFIELD. That is for a year; yes, sir.

Mr. KELLEY. That would be \$405,000 for six months, or \$3 per month.

Capt. ENOCHS. Admiral, may I suggest that you gave Mr. Kelley a wrong impression. You said that you sent a great many from San Francisco by rail. We do not do that unless it is absolutely necessary.

Admiral WASHINGTON. The men from Chicago would have to go by rail, because we have no other means of getting them there. We usually avail ourselves of water transportation wherever possible.

Mr. KELLEY. You do not think that in the next six months, with recruiting stopped, it would cost us anything like \$405,000 to shift the men about within the Navy?

Capt. ENOCHS. We have had to do quite a bit of that, on account of the new construction going on, moving men up and down the coast.

Mr. KELLEY. I understand that during the last year the Navy has been in a very crippled condition, and you have had to shift men around because of the greenness of the men.

Capt. ENOCHS. Yes, sir; and the shortage.

Mr. KELLEY. That was to be expected during the last year, but simply because you had to do that when your ships were being filled up and when your men were being assigned to ships, that does not mean that you have got to keep that up after things have settled down?

Capt. ENOCHS. For instance, we have about 20,000 men at the training stations and all of those have got to be moved.

Mr. KELLEY. They have got to be brought to the ships?

Capt. ENOCHS. A large number of those will go to the west coast and they have got to be moved. A great number of those from Chicago have got to be moved.

Mr. KELLEY. Those from the Chicago training station would probably have to go across the continent?

Capt. ENOCHS. Yes, sir.

Mr. KELLEY. And those on this side would be picked up by the ships, and those in San Francisco would be picked up by the ships, so it is a question of the Chicago station?

Capt. ENOCHS. That is going to last. We have six more torpedo-boat destroyers that we are going to man. They will be moved down to Charleston and Charleston will recruit them.

Admiral WASHINGTON. Some consideration must be paid to the fact that if we reduce the enlisted personnel from what it is at present, 135,000, there will be more shifts among the ships than there would be otherwise.

Mr. KELLEY. I think you will find that that will work out all right, Admiral.

Admiral WASHINGTON. There is going to be more, but how much we can not figure on.

Capt. ENOCHS. You are quite right about that. If we reduce now, it is bound to necessitate shifts about.

Admiral WASHINGTON. And then, if we take these men from the shore stations and reduce that number, they have got to go to the fleet, and the increased transportation there will be material.

Mr. KELLEY. If we allowed for a deficiency of \$1,260,380, that would make your present year's appropriation for this item \$4,300,000.

Commander PORTERFIELD. The item for the transportation of the sick, etc., must be added to that.

Mr. KELLEY. Is that taken care of in this 6.6 per cent?

Admiral WASHINGTON. No.

Commander PORTERFIELD. The 6.6 per cent are the men honorably discharged and also the expirations of enlistment.

Mr. KELLEY. I mean, does not the item for the movement within the fleet take care of sending the sick ashore?

Commander PORTERFIELD. No; I did not work it out that way. I worked them out separately. The item for the sick does not amount to so much.

Admiral WASHINGTON. If we reduce the Navy from its present strength of 135,000 men down to the number which Congress may appropriate for, we are going to apply higher physical standards to those that are in. We have a list of defects, and there will be more discharges from the Navy due to undesirables and things of that kind, and we will be sending boys home that we would not otherwise send.

In other words, we are going to send home a great many that we would not send home if Congress did not reduce the authorized strength of the Navy. This will carry it beyond 6.6 per cent, very considerably beyond; how much I do not know. Last week, for instance, we sent out instructions to all the training stations to use rather wide discretion in discharging any of these recruits who, after a very moderate stay there at the station, did not seem to measure up to the standards, and those boys will be sent home and paid this five cents a mile to wherever they live. They will be in addition to these numbers we have been computing on.

Mr. KELLEY. Let us take it from next July. You said you would have 117,000 on the first of July.

Admiral WASHINGTON. About that number; yes, sir. We want to reduce below that, if possible.

Mr. KELLEY. The figures we had here made it 115,000. Beginning on July 1, 1921, how many men will retire from the Navy by expiration of enlistment during the following 12 months?

Admiral WASHINGTON. Forty-three thousand one hundred and twenty-three.

Mr. KELLEY. And, of course, you will have to pay their fare home?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. If you get 60 per cent of those back, that will bring about how many back, 25,874?

Admiral WASHINGTON. Yes, sir.

Admiral WASHINGTON. Here, but he handles all the ships; he visits all the ships and personally inspects them.

Mr. KELLEY. He is the director of the whole affair?

Admiral WASHINGTON. Capt. Sellers is the director of the whole division, but Mr. Alderman is confined entirely to the schools; he has nothing to do with the library work or the recreational work or anything of the kind; he has nothing under him but the schools. The Army, I might add, has offered Mr. Alderman \$1,000 more if he will leave us and come over to them; he said he would work for the Navy at \$6,500 instead of for the Army at \$7,500. So we hope to hold him for another year.

Mr. KELLEY. Have you a statement, showing exactly how the \$800,000 will be applied?

Admiral WASHINGTON. Yes, sir. This statement was made up for the two combined, and if it is satisfactory I will submit it to-morrow.

Mr. KELLEY. Just put in the record exactly how the \$800,000 is to be expended.

Admiral WASHINGTON. Very well.

(The statement referred to above follows:)

Summary of expenditures in detail for recreation, welfare, etc., of enlisted men of the Navy and Marine Corps for the fiscal year ending June 30, 1920, and the amounts in detail estimated for the fiscal year ending June 30, 1922.

Activity.	Expended in 1919-20.	Estimate for 1921-22.
Motion pictures.....	\$378,479.61	\$230,000.00
Navy clubs.....	312,548.08	15,000.00
Athletics.....	319,459.35	85,000.00
Guidebooks ¹		22,000.00
Publications.....	13,859.61	25,000.00
Social hygiene.....	8,308.77	21,000.00
Administration.....	116,820.73	13,400.00
Religious equipment.....	3,000.00	6,600.00
Music and dramatics.....	70,477.20	10,000.00
Recreation.....	33,518.22	15,000.00
Contingent.....	6,011.96	32,000.00
Allotments.....	26,480.12	325,000.00
	1,287,763.65	800,000.00

¹ No funds were expended for guidebooks, but the sum of \$22,000 has been set aside for this work for the current year.

Mr. KELLEY. About how much will this appropriation be augmented by profits from the stores?

SHIPS' STORES PROFITS.

Admiral WASHINGTON. The ships' stores profits for the six months ending December 31, 1920, were \$46,791.35, so that for the year they would be something short of \$100,000.

Mr. KELLEY. Do you get any funds for this purpose from any private sources now?

Admiral WASHINGTON. No longer.

Mr. KELLEY. That has all been cut off?

Admiral WASHINGTON. We took those over on July 1 last, and we had from outside sources \$5,337.52 for the past six months. I do not know of any outside sources from which we get funds now; I think that is all out of the way.

Mr. FRENCH. Then, you will need to dismiss several of these men who are receiving the higher salaries?

Admiral WASHINGTON. Mr. French, we are gradually working down, so that we are supplanting them with officers of the Navy, and in the next two years I think we will only need about three or six; I have forgotten what the number was that was settled on, but I think three for the libraries and three for the educational work. Of course, naval officers can not keep up with the progress of the changes made in the various school systems; we are not versed in that, and if we do not get some outsider who is versed in it we naturally fall behind. Prof. Alderman is quite an expert in his line, and he is the one whom we employ now for the inspection, organization, and starting of these schools, and when he gets them on a good running basis I think with very little outside help we can run it ourselves.

Mr. KELLEY. The total funds for recreation, education, and everything pertaining to the benefit of the men will be \$900,000, or possibly a little more, if we grant this appropriation of \$800,000.

Admiral WASHINGTON. I should think that would be about the amount.

Mr. KELLEY. That is the whole sum.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Do you get any help from Supplies and Accounts?

Admiral WASHINGTON. Supplies and Accounts keeps a record of the ships' stores.

Mr. KELLEY. Is there not a fund in Supplies and Accounts out of which they purchase equipment?

Admiral WASHINGTON. Do you mean gymnastic equipment?

Mr. KELLEY. Yes.

Admiral WASHINGTON. Yes, sir; they have a small fund. I do not know how much it is, but it is not very much.

Mr. KELLEY. You do not rely upon that fund to any extent?

Admiral WASHINGTON. No, sir. The other day, a week or so ago, they turned it over to us so that we can disburse it, together with the other things, so as to use it to the best advantage.

Mr. KELLEY. Do you recall how much it is?

Admiral WASHINGTON. No, sir.

Mr. KELLEY. Was it \$100,000?

Admiral WASHINGTON. I do not think so; I do not think it is much.

Mr. KELLEY. I wish you would put in the record the exact amount turned over by Supplies and Accounts.

Admiral WASHINGTON. Very well. I find that the sum was \$30,000.

CONTINGENT EXPENSES, BUREAU OF NAVIGATION.

Mr. KELLEY. The next is your contingent item. Last year you had \$20,000, and you are asking \$20,000 for next year.

Admiral WASHINGTON. Yes, sir; that is a small amount, and it covers a variety of expenses.

Mr. KELLEY. Badges, medals, books, etc.?

Admiral WASHINGTON. Yes, sir.

GUNNERY AND ENGINEERING EXERCISES.

Mr. KELLEY. The next item is for gunnery and engineering exercises. You had for the current year \$100,000, and you want \$150,000 for the next year. Will you want \$150,000 for 100,000 men?

Admiral WASHINGTON. I think we have reduced that to \$125,000. We figure we can meet all of the requirements with \$125,000 with the reduced personnel.

Mr. KELLEY. Suppose we left it at the same amount as last year; would not that be all right?

Admiral WASHINGTON. Yes, sir; it would be better still.

Mr. KELLEY. I did not mean the personnel, but I meant the amount.

Admiral WASHINGTON. Both.

Mr. KELLEY. I am speaking of the current year.

Admiral WASHINGTON. Well, last year we had \$100,000.

Mr. KELLEY. Yes; you had \$100,000 for last year.

Admiral WASHINGTON. One of the big and desirable features in this is the incentive to good shooting and the ability to offer prizes to the gun crews; if we can pay them a prize it excites a great deal of competition and better work. So if we keep all of our fighting ships in commission that we had before, I think \$150,000 would not be an excessive amount. If we had \$125,000, we could probably get along.

Mr. KELLEY. How much of this is for hiring ranges?

Admiral WASHINGTON. We have no hired ranges now. We have come out of all of them. We hired them during the war, and right after the war we used them to train this large number of men, but we have gradually turned back all of them. We turned back Wakefield last year.

Mr. KELLEY. That is in Massachusetts?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How about Virginia Beach?

Admiral WASHINGTON. That is our own range; but we have nothing there except a keeper. I think we have everything away from there now, and I do not think we have any ranges that do not belong to the Government.

OUTFITS FOR FIRST ENLISTMENT.

Mr. KELLEY. The next item is "Outfits for first enlistment."

Admiral WASHINGTON. Yes; for which there is no actual money paid and no appropriation is required there, sir.

Mr. KELLEY. You will not need much, if anything, for that?

Admiral WASHINGTON. No, sir; there is no money appropriated for that at all. You remember that was a transfer of funds from Supplies and Accounts to Navigation.

Mr. KELLEY. I notice you ask for some new language, but I am inclined to think the Committee on Naval Affairs will have to put that in.

Mr. AYRES. Is this new legislation?

Mr. KELLEY. There is some new legislation suggested at the bottom of the page.

Mr. AYRES. Is not this existing law at this time?

Mr. KELLEY. No; it says during the fiscal year ending June 30, 1921. This is a bookkeeping arrangement?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. For the reason that the clothing and small stores fund is much larger than there is any reason for carrying, and in-

stead of appropriating and reimbursing that fund the clothing is issued and the fund credited with the value.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. So that the fund will get smaller and finally come to its normal peace-time size?

Admiral WASHINGTON. Yes, sir; that is my understanding.

Mr. KELLEY. And that was the purpose of this sort of an arrangement?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Rather than appropriate for clothing on first enlistment and keep the fund at its war-time size?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. If any new enlistments are had during the coming year, it will be necessary to continue the first part of this paragraph either in this bill or else have it put in by the Committee on Naval Affairs?

Admiral WASHINGTON. Yes, sir.

INSTRUMENTS AND SUPPLIES.

Mr. KELLEY. The next item is for instruments and supplies. You had \$850,000 for the current year and are asking for \$1,000,000 next year. On the new basis of 100,000 men you are asking for \$1,000,000.

Admiral WASHINGTON. This does not bear at all on the men; this is all materials. Last year, if you remember, we were unable to outfit—and it was so understood by the committee—quite a number of new vessels with the proper navigational outfits, particularly with gyro compasses. The committee deferred passing the full amount, and these vessels will have largely been completed; I think there are only a few of them left in the hands of the contractors.

Mr. KELLEY. Are these destroyers?

Admiral WASHINGTON. Principally; yes, sir; although there are some submarines; but practically most of them I have reference to are destroyers—that is, those which need gyro compasses.

Mr. KELLEY. Have you a detailed statement showing how this is to be applied?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Just put it in the record.

Admiral WASHINGTON. Very well.

Estimates. "Instruments and supplies, 1922," material under cognizance of the Naval Observatory.

The following is a summary of the estimates for 1922, a detailed statement of which is attached hereto:

Supplies for seamen's quarters-----	\$2, 500
All pilotage and towages of ships of war, canal tolls, wharfage, dock and port charges, and other necessary incidental expenses of a similar nature-----	140, 000
Libraries for ships of war, professional books, schoolbooks, and papers-----	30, 000
Maintenance of gunnery and other training classes-----	70, 000
Photographs, photographic instruments and material-----	2, 500
Printing outfits and materials-----	5, 000

Navigation equipment:

(a) Magnetic compasses, peloruses and accessories, and repairs, adjusting, and testing of same-----	\$99,749
(b) Nautical and astronomical instruments, including logs and sounding apparatus and repairs to same, and pay of chronometer caretakers-----	226,999
(c) Gyro compasses and accessories and repairs to same, including necessary gyro electricians, mechanics, draftsmen, inspectors, and clerical assistants-----	659,980
	1,236,719

NOTE.—This amount was reduced to \$1,000,000 by the Secretary of the Navy.

From: Superintendent, Naval Observatory.

To: Bureau of Navigation.

Subject: Estimates, appropriation "Instruments and supplies, 1922."

1. The estimates for the year 1922 submitted herewith are divided under three headings to conform to the material divisions which administer the expenditure of these funds.

In making these estimates the data furnished by Naval Operations, in accordance with the instructions of the Secretary of the Navy, have been used; and the estimates are determined by using the initial equipment of a vessel and allowing the percentage for replacements and upkeep which is based on past experience.

The estimates for gyro compasses are based on the number of master compasses in the Navy and are not entirely dependent on the number of ships in commission on which these instruments are installed, owing to the necessity for testing and repairing these compasses even when not on ships in commission.

2. It is requested that the following change be made in the text of the wording of the appropriation:

On last line insert after the words "civilian electricians," the words "mechanics, inspectors, draftsmen, and clerical assistants." And after the word "testing," last line, insert the word "repair"; and after the word "inspection," last line, add the words "and for chronometer caretakers, \$—." The line then to read:

"and for the necessary civilian electricians, mechanics, inspectors, draftsmen, and clerical assistants for gyro compass testing, repair, and inspection, and for chronometer caretakers, \$—."

These additional words are to cover the employment of the necessary mechanical and clerical force incident to the testing, repair, and maintenance of records of gyro compass inspection stations outside the District of Columbia. Last year because of the limited wording, it was found necessary to have certain of these positions paid for from the appropriation, "Pay, miscellaneous."

J. A. HOGEWERFF,
Rear Admiral, United States Navy, Superintendent.

The fleet—Magnetic compasses and peloruses—Estimates for fiscal year 1922.

Type.	Number.	Original unit equipment.	Unit upkeep.	Total upkeep.
In full commission:				
Dreadnaughts.....	19	\$3,176.00	\$317.00	\$6,023.00
Cruisers (miscellaneous).....	15	2,556.00	256.00	3,340.00
Destroyers.....	144	1,380.00	140.00	20,160.00
Submarines.....	131	244.00	25.00	3,275.00
Destroyer tenders.....	8	2,556.00	256.00	2,048.00
Submarine tenders.....	5	2,556.00	256.00	1,280.00
Shore-based submarine tenders.....	7	1,200.00	120.00	840.00
Fleet-repair ships.....	3	2,556.00	256.00	768.00
Hospital ships.....	2	2,556.00	256.00	512.00
Supply ships.....	6	2,294.00	230.00	1,380.00
Target-repair ships.....	2	2,294.00	230.00	460.00
Radio-repair ship.....	1	2,294.00	230.00	230.00
Aircraft tenders.....	2	2,556.00	256.00	512.00
Aircraft carriers.....	1	2,556.00	256.00	256.00
Mine layers.....	2	2,556.00	256.00	512.00
Mine sweepers and tugs.....	47	1,382.00	140.00	6,580.00
Colliers.....	12	2,294.00	230.00	2,760.00
Oilers.....	14	2,294.00	230.00	3,220.00

The fleet—Magnetic compasses and peloruses—Estimates for fiscal year 1922—Continued.

Type.	Number.	Original unit equipment.	Unit upkeep.	Total upkeep.
In full commission—Continued.				
Transports and cargo ships.....	13	\$2,294.00	\$230.00	\$2,990.00
Ammunition ships.....	2	2,294.00	230.00	460.00
Flagships (foreign stations).....	3	2,556.00	256.00	768.00
Patrol craft.....	17	2,556.00	256.00	4,352.00
Survey ships.....	4	2,294.00	230.00	920.00
Fish Commission ships.....	2	2,294.00	230.00	460.00
Station craft (by stations) (13)	{ 3 10	2,294.00 1,382.00	230.00 140.00	690.00 1,400.00
Total.....				66,196.00
In reduced commission:				
Experimental ship.....	1	3,176.00	317.00	317.00
Predreadnaughts.....	2	3,176.00	317.00	634.00
Destroyers.....	154	1,390.00	140.00	21,560.00
Submarines.....	8	244.00	25.00	200.00
Eagle boats.....	40	844.00	84.00	3,360.00
Mine sweepers.....	6	1,382.00	140.00	840.00
Hospital ships.....	2	2,556.00	256.00	512.00
Total.....				27,423.00
District craft:				
Seagoing tugs.....	30	550.00	55.00	1,650.00
Harbor tugs.....	60	75.00	8.00	480.00
Sub. chasers.....	60	500.00	50.00	3,000.00
Miscellaneous craft.....				1,000.00
Total.....				6,130.00
Grand total.....				90,749.00

No money needed for upkeep of material in store under appropriation "Instruments and supplies."

The fleet—Nautical instruments—Estimates for fiscal year 1922.

Type.	Number.	Original unit equipment.	Unit upkeep.	Total upkeep.
In full commission:				
Dreadnaughts.....	19	\$12,500.00	\$1,250.00	\$23,750.00
Cruisers (miscellaneous).....	15	6,412.00	640.00	9,600.00
Destroyers.....	144	2,635.00	395.00	56,880.00
Submarines.....	131	900.00	135.00	17,685.00
Destroyer tenders.....	8	2,900.00	319.00	2,552.00
Submarine tenders.....	5	2,900.00	319.00	1,595.00
Shorebased submarine tenders.....	7	1,100.00	165.00	1,155.00
Fleet repair ships.....	3	4,750.00	475.00	1,425.00
Hospital ships.....	2	3,600.00	540.00	1,080.00
Supply ships.....	6	2,900.00	319.00	1,914.00
Target repair ships.....	2	2,500.00	250.00	500.00
Radio repair ships.....	1	2,500.00	250.00	250.00
Aircraft tenders.....	2	2,900.00	319.00	638.00
Aircraft carriers.....	1	4,750.00	475.00	475.00
Mine layers.....	2	6,412.00	640.00	1,280.00
Mine sweepers and tugs.....	47	1,550.00	232.00	10,904.00
Colliers.....	12	2,500.00	250.00	3,000.00
Oilers.....	14	2,500.00	250.00	3,500.00
Transports and cargo ships.....	13	2,500.00	250.00	3,250.00
Ammunition ships.....	2	4,750.00	475.00	950.00
Flag ships for foreign stations.....	3	10,035.00	1,035.00	3,105.00
Patrol craft.....	17	6,412.00	640.00	10,880.00
Survey ships.....	4	4,750.00	475.00	1,900.00
Fish Commission ships.....	2	4,750.00	475.00	950.00
Station craft.....	13	1,650.00	232.00	3,016.00
Total.....				162,234.00
In reduced commission:				
Experimental ship.....	1	10,035.00	1,003.50	1,003.50
Predreadnaughts.....	2	10,035.00	500.00	1,000.00
Destroyers.....	154	2,635.00	200.00	30,800.00
Submarines.....	8	900.00	67.50	540.00
Eagle boats.....	40	1,100.00	82.50	3,300.00
Mine sweepers.....	6	1,550.00	116.25	697.50
Hospital ships.....	2	3,600.00	270.00	540.00
Total.....				37,881.00

* Includes ship's equipment only—not special surveying outfit charged to Ocean and Lake Survey.

The fleet—Nautical instruments—Estimates for fiscal year 1922—Continued.

Type.	Number.	Original unit equipment.	Unit upkeep.	Total upkeep.
District craft:				
Seagoing tugs.....	30	\$1,550.00	\$232.50	\$6,975.00
Harbor tugs.....	60	975.00	195.00	11,770.00
Sub chasers.....	60	950.00	95.00	5,700.00
Miscellaneous.....				2,500.00
Total.....				26,875.00
Grand total.....				226,900.00

No money needed for up keep of material in store under appropriation "Instruments and Supplies."

Memorandum to accompany estimates, gyro compasses, 1922.

The following are the detailed estimates for gyro compass equipment under the appropriation "Instruments and supplies" for the fiscal year 1922:

Cost of spares for compasses in service (548).....	\$195,885
Inspection (personnel).....	17,678
Drafting.....	2,817
Experimental, publications, etc.....	10,000
Replacements and modernization of old compasses.....	50,000
Navy-yard repair stations (labor for repairs).....	355,800
Equipping new stations.....	16,000
Betterments to old stations.....	12,000

Total 659,880

Estimates for repair stations.

	Per month.	Year.		Per month.	Year.
Boston.....	\$3,000	\$36,000	San Pedro.....	\$500	\$6,000
New London.....	1,000	12,000	Mare Island.....	4,000	48,000
New York.....	4,000	48,000	Puget Sound.....	4,000	48,000
Philadelphia.....	3,000	36,000	Pearl Harbor.....	350	4,200
Norfolk.....	5,000	60,000	Cavite, P. I.....	300	3,600
Charleston, S. C.....	2,000	24,000	Total.....		355,800
Coco Solo.....	500	6,000			
San Diego.....	2,000	24,000			

This includes gyro compass electricians, machinists, labor, and spares. The estimates on upkeep are made on the basis of compasses in commission, whether or not the ship is in active service or reserve, as the compasses on vessels in reserve must be operated weekly to keep them in condition.

Drafting force, 1 draftsman, at \$9 per diem..... \$2,817
Experimental, publications, etc..... 10,000

There are many of the details of the compass that have not proven satisfactory, and as the contractors have not shown a disposition to undertake improvements in design to correct these faults, it is necessary for the repair stations to undertake them with a view to improving the performance of the compasses to decrease the cost of upkeep.

Replacements..... \$50,000

It is estimated that there will be 10 complete replacements of master compasses which have been in service over five years, which is about the usual life of a compass.

SUMMARY.

In summarizing these estimates it should be noted that the value of the gyro compass equipment to be in service in the fiscal year 1921-22 will be about

\$4,820,000. The estimated cost of upkeep, \$644,147, is 13.7 per cent or slightly less than the estimated percentage for 1920-21 which was 14.33 per cent. It is believed that the improvements in the design of the Sperry Mark II and Mark III compasses, which are under trial and which it is hoped to put into effect in 1921-22, will result in lower costs of upkeep when completed. The reestablishment of trained gyro compass electricians in sufficient number to properly care for all ships will also be a great aid in lowering the cost of upkeep. The building up of this personnel is proceeding slowly, due to the lack of qualified electricians in the service. The number of equipments in service last year was 508, with a value of approximately \$4,000,000.

The averages of costs were taken from performances of the past two years. Since that time, on June 1, 1920, the manufacturers increased the price of spare parts 20 per cent. In addition the overhead charge on work done at navy yard repair stations has increased from 25 per cent (about) to 125 per cent (about) of the direct labor charge. And a recent increase has been made in the wages of all navy yard mechanics which will amount to from 5 per cent to 10 per cent. Due to delay in delivery on the part of the contractors, the average number of equipments in service for the year 1920-21 will be less than estimated, and for that reason alone it will be possible to get on with the present reduced appropriation.

The fleet—Estimates 1921-22—Gyro compasses.

Type.	Num- ber.	Original unit equip- ment.	Unit upkeep.	Total upkeep.
In full commission:				
Dreadnaughts.....	19	\$32,500.00	\$3,250.00	\$61,750.00
Cruisers, miscellaneous.....	9	18,400.00	1,840.00	16,560.00
Destroyers.....	144	8,700.00	870.00	125,280.00
Submarines.....	131	10,740.00	950.00	124,450.00
Aircraft tenders.....	2	7,500.00	750.00	1,500.00
Mine layers.....	2	10,500.00	1,050.00	2,100.00
Flagships for foreign stations.....	2	10,500.00	1,050.00	2,100.00
Replacements of old compasses, 10 complete.....				50,000.00
Complete overhaul and modernization of old spare compasses.....				69,600.00
Total.....				453,340.00
In reduced commission or reserve:				
Experimental ship.....	1	16,500.00	1,650.00	1,650.00
Fredreadnaughts.....	2	12,000.00	1,200.00	2,400.00
Destroyers.....	130	6,105.00	610.50	79,345.00
Submarines.....	8	10,740.00	950.00	4,200.00
Total.....				87,15.00
Out of commission:				
Fredreadnaughts.....	11	12,400.00	500.00	5,500.00
Cruisers.....	8	10,500.00	500.00	4,000.00
Total.....				9,500.00
NOTE.—This list is made up only for vessels equipped with gyro compasses.				
Shore activities:				
Gyro repair stations, Boston, New London, New York, Philadelphia, Norfolk, Charleston, S. C., Coco Solo, San Pedro, Mare Island, Puget Sound, Pearl Harbor, Charleston, S. C.....	11	900.00 6,500.00 6,500.00 10,000.00 6,500.00 2,328.72	..... ..... ..... ..... ..... .....	9,000.00 6,500.00 6,500.00 10,000.00 6,500.00 16,391.00
Pearl Harbor.....				
San Diego, Calif.....				
Cavite, P. I.....				
Inspectors, third naval district.....	7	2,817.00	.....	16,391.00
Draftsman, Bureau of Navigation.....	1	2,817.00	.....	2,817.00
Clerical, third naval district.....	1	1,377.00	.....	1,377.00
Experimental, publications.....				10,000.00
Total.....				60,895.00
New construction:				
Vessels heretofore authorized (destroyers).....	6	6,605.00	.....	39,630.00
(These vessels were built from emergency appropriation and no provision was made for this equipment.)				
Grand total.....				659,980.00

Mr. KELLEY. Suppose you make a statement by clauses, supplies for seamen's quarters.

Admiral WASHINGTON. I can give you that right away.

Mr. KELLEY. How much is that?

SUPPLIES FOR SEAMEN'S QUARTERS.

Admiral WASHINGTON. For supplies for seamen's quarters we ask \$2,500.

Mr. KELLEY. For the purchase of all other articles.

PAYMENT OF LABOR FOR EQUIPPING VESSELS, ETC.

Admiral WASHINGTON. For the payment of labor in equipping vessels, and manufacture of such articles in the several navy yards; no expenditures are charged to this subhead because it is the general authority for the equipping and manufacture of equipage; all pilotage and towages of ships of war; including tolls, wharfage, dock and port charges, and other necessary incidental expenses of a similar nature, \$140,000.

PILOTAGE.

Mr. KELLEY. How much of that is for pilotage?

Admiral WASHINGTON. We estimate \$140,000 for pilotage, wharfage, tolls, dock and port charges, and other incidental expenses.

Mr. KELLEY. How much have you been spending?

Admiral WASHINGTON. Last year you gave us \$270,000, and this year we are asking for a decrease to \$140,000. The \$270,000, of course, was for the fleet when it went to the west coast, and we had more of those charges in moving the fleet out there. We can not tell what the pilotage and towage charges will be because we do not know where the ships are going to be a year hence and the circumstances under which they will operate. It is the merest guesswork as to where the ships are going to be.

SERVICES AND MATERIALS IN REPAIRING, ETC., OF COMPASSES.

Mr. KELLEY. Services and materials in repairing, correcting, adjusting, and testing compasses on shore and on board ship.

Admiral WASHINGTON. The estimate is \$99,749, and last year you gave us \$128,628.82.

Mr. KELLEY. Nautical and astronomical instruments and repairs to same.

Admiral WASHINGTON. We ask for \$177,360; last year you gave us \$188,984. All of these items are reduced.

Mr. KELLEY. Except the total.

Admiral WASHINGTON. I think the total is not reduced.

Mr. KELLEY. Over last year?

LIBRARIES FOR SHIPS OF WAR, PROFESSIONAL BOOKS, ETC.

Admiral WASHINGTON. The next is libraries for ships of war, professional books, school books, and papers, \$30,000; last year it was \$56,000.

Mr. KELLEY. Those are technical papers?

Admiral WASHINGTON. Well, the school books would be, but the men are not given them to take away; they are simply loaned to them, and they belong to the ship to which they are served.

Mr. KELLEY. And they pass from one to another?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How does this happen to be carried under this appropriation rather than under the appropriation for recreation?

Admiral WASHINGTON. It is the original appropriation in which it first appeared before we had recreation for the enlisted men.

Mr. KELLEY. There must be quite an amount of the recreation fund spent for libraries, for books and papers.

Admiral WASHINGTON. This is the allotted sum for that year.

Mr. KELLEY. Is there any more spent for libraries and books than what appears in this item?

Admiral WASHINGTON. Yes, sir. There is another appropriation, if we get it, of \$1,539,000; but we have not got it. That is what we are asking for.

Mr. KELLEY. Can you not buy the papers and books out of the replacement fund?

Admiral WASHINGTON. Commander McKean says their bureau has a certain small appropriation for books, mostly of a technical character, for use in that bureau. We have incorporated our schoolbooks under this item in addition to the others. There are professional books and schoolbooks.

Mr. KELLEY. How much is this item?

Admiral WASHINGTON. \$30,000. Last year it was \$56,000.

Mr. KELLEY. You mean by last year 1920?

Admiral WASHINGTON. The present year.

Mr. KELLEY. The present year is 1921.

Admiral WASHINGTON. I mean the fiscal year 1920. Your July 11, 1919, bill gave us that.

MAINTENANCE OF GUNNERY AND OTHER TRAINING CLASSES.

Mr. KELLEY. Maintenance of gunnery and other training classes.

Admiral WASHINGTON. \$70,000. Last year we had \$82,200.

COMPASSES, COMPASS FITTINGS, ETC.

Mr. KELLEY. Compasses, compass fittings, including binoculars, tripods, and other appendages on ship compasses.

Admiral WASHINGTON. We ask for \$639,485.

Mr. KELLEY. Tell us about that.

Mr. AYRES. What did you have last year?

Admiral WASHINGTON. \$529,401.69. We have the figures itemized for each ship.

Mr. KELLEY. Make your general statement as to the need of these instruments and just why it is an annual charge, whether it is in the nature of new material, new instruments, or repairs, or what occasions this large expenditure every year.

NOTE.—Without the instruments provided by this appropriation no ship would be able to leave port.

It is necessary to repair these instruments when they break, and due to their delicate construction the cost of repairs is very large.

With the exception of six gyro compasses, at \$6,605 each, total \$39,630, it is not intended to expend any of the appropriation "Instruments and supplies" during the fiscal year 1922 for the purchase of new instruments. If an instrument is damaged, it becomes necessary to have it repaired, and it is taken off and another one issued in its place. This one, however, is not a new instrument, but is one which has been repaired and held awaiting the need for it.

As the instruments become older and have been repaired two or more times, they naturally are broken more easily. Therefore, the older the instruments the greater the cost of repairs.

Admiral WASHINGTON. The annual repair on one of these gyro compasses is a big item. The magnetic adjusting and repair is \$99,749; nautical instruments, \$226,990; gyro accessories, \$659,980.

Mr. KELLEY. That is for repairs?

Admiral WASHINGTON. New ones and repairs; gyro compasses and accessories and repairs for the same. We have got in the neighborhood of 298 destroyers to be fitted out. Every battleship has two main gyros and several repeaters, and the cruisers will have the same. In other words, the old azimuth compass is entirely supplanted now by the gyro.

Mr. KELLEY. What does it cost to install gyro-compass outfits on a battleship?

Admiral WASHINGTON. Thirty-two thousand dollars each, which is not paid out of this appropriation. We have in the neighborhood of 50 destroyers delivered to us this year, approaching that, 40 anyway, 40 destroyers, each one fitted out with a single gyro, and at \$6,600 (the cost of a gyro for a destroyer) that would be \$266,000. However, the cost of only six of these gyros is to be charged to "Instruments and supplies."

Mr. KELLEY. Then this particular item that we are considering is practically for new gyro compasses.

Admiral WASHINGTON. New and repairs to gyros in service.

Mr. KELLEY. For new gyro compasses to be installed on destroyers and other new craft expected to be delivered during the coming year?

Admiral WASHINGTON. Already contracted for. Some of them have been delivered, but we have been unable because they cut us down last year to replace them all.

Mr. KELLEY. It is not possible that they are anticipating the delivery of ships much more rapidly than they will come in?

Admiral WASHINGTON. I think that all the ships of that type and class will have been delivered long before the completion of this next year, so that they will be on our hands.

Mr. KELLEY. These compasses will be put on the scout cruisers?

Admiral WASHINGTON. Yes, sir; they are really a necessity now. They have passed beyond the stage of being experimental, and they are necessities for repairs. Each one requires expert handling to keep it in repair.

Mr. KELLEY. Then that item is a large item in this appropriation.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And much of the rest is for repair and upkeep of existing instruments that are installed on the ships?

Admiral WASHINGTON. Yes, sir; that is itemized by each ship and each yard.

Mr. KELLEY. Will you put into the record a statement that will be illuminating and not too voluminous?

Admiral WASHINGTON. Yes, sir.

LOGS AND OTHER APPLIANCES.

Mr. KELLEY. Logs and other appliances for measuring the ship's way; leads and other appliances for sounding.

What is that?

Admiral WASHINGTON. I have it itemized here, \$49,630. Last year it was \$55,440.

Mr. KELLEY. Was that for new ships or replacements?

Admiral WASHINGTON. Replacements and new ships. We are constantly losing those logs; line will break in deep water and the lead is gone. It is the lead that is the expensive part; 7, 9, and 14 pound leads are attached to each one.

PHOTOGRAPHIC INSTRUMENTS AND MATERIAL.

Mr. KELLEY. Photographs, photographic instruments and materials, printing outfits and materials.

Admiral WASHINGTON. \$2,500. Last year it was \$4,520.

CIVILIAN ELECTRICIANS, MECHANICS, INSPECTORS, ETC.

Mr. KELLEY. And for the necessary civilian electricians. There is new language suggested here.

Admiral WASHINGTON. That is new legislation.

Mr. KELLEY. That will have to come out of this bill.

Admiral WASHINGTON. That is new.

Mr. KELLEY. Mechanical inspectors, draftsmen. What is the necessity for that?

Admiral WASHINGTON. One reason for it is that we have been withdrawing all of the enlisted men from shore stations and want those others to follow them up where we withdraw enlisted men for officers from a shore station.

Mr. KELLEY. They want to hire civilians in their places?

Admiral WASHINGTON. I will not say in every case but in many cases they do.

Mr. KELLEY. You are willing to leave that out for a year or two?

Admiral WASHINGTON. It would relieve me, because I would then have the men for the ships.

Mr. KELLEY. How much did they estimate for these mechanics and inspectors?

Admiral WASHINGTON. They estimate \$20,495. Last year we were allowed \$13,471.52.

Mr. KELLEY. Is this in your department down here in Washington or outside?

Admiral WASHINGTON. One draftsman is for the Naval Observatory, one clerk for the third naval district, seven inspectors for the third naval district.

Mr. KELLEY. Why would not clerical assistance be paid for through the other appropriation?

Admiral WASHINGTON. We have no other appropriation and can not secure the clerical assistants under any other bureau's appropriations.

Mr. KELLEY. We do not want too many bills making appropriations for clerical forces in Washington.

Admiral WASHINGTON. There will be one draftsman only for Washington; the clerk and inspectors will be outside of Washington.

Mr. KELLEY. It says clerical assistance.

Admiral WASHINGTON. That means the one clerk in the third naval district. These additional words are to cover the employment of necessary mechanical clerks and maintenance of gyro-compass inspection stations outside of the District of Columbia. Last year, because of the limited wording, it was found necessary to have certain of these positions paid for from the appropriation "Pay, miscellaneous."

Mr. AYRES. That is why this is new legislation?

Admiral WASHINGTON. New legislation; yes, sir.

Mr. KELLEY. Do you know how much is paid for out of "Pay, miscellaneous" for this particular item?

Admiral WASHINGTON. No, sir; I would not have records for that at all. It could not have been very much, because there was only \$13,000 allowed.

Mr. KELLEY. The item is simply given as a total of \$1,231,719.

Admiral WASHINGTON. Yes, sir; \$1,236,719, as I have it.

Mr. KELLEY. For repairs of instruments under this appropriation.

Admiral WASHINGTON. At the observatory. Generally there are all kinds of instrument repairs there. There are some repairs which they have done outside—chronometer work, which requires the most expert character of clock making—but otherwise it is done at the observatory.

Mr. KELLEY. I notice they are asking to have the word "repair" inserted. How do they handle these now without that word there?

Admiral WASHINGTON. This has been practiced for many years, and there has been no change in the character and method of doing the work. We want our own force for the repair of these instruments.

Mr. KELLEY. This is the language, "necessary civilian mechanical, electrical, clerical assistance, gyrocompass testing, repair, and inspection."

It was made necessary by inserting the words "mechanics, inspectors, and clerical assistants necessary for the repair," and if you do not put in the words "mechanics, inspectors, draftsmen, and clerical assistants," I presume the word "repair" would not be necessary either, but inasmuch as it is all legislation it would have to come out of this bill. What about the chronometer caretaker? How much do they estimate for that?

Mr. AYRES. I thought the \$24,495 included all.

Admiral WASHINGTON. It does. That includes all. That is the total of the item.

Mr. AYRES. Mechanical inspectors, draftsmen, and clerical assistants?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Are these gyro compasses to be purchased or have they been purchased simply to reimburse that fund?

Admiral WASHINGTON. They have been contracted for but have not been received. Only six of these gyro-compasses at \$6,600 each will be charged to this appropriation. I do not know if spare ones are carried on hand, but the works do not turn them out rapidly enough to accumulate a supply, and during the war the British practically cornered the market. You can not turn these things out very rapidly.

Mr. KELLEY. Where are they made?

Admiral WASHINGTON. By Sperry Gyroscope Co., in Brooklyn, N. Y. It is a most complicated instrument. It is one of the most complicated instruments I have ever seen.

Mr. KELLEY. Will you inquire particularly, Admiral, as to whether or not any of these have been purchased and paid for out of the general account of advances and whether any part of this is to reimburse that fund?

Admiral WASHINGTON. Yes, sir; six gyro compasses, total cost \$39,630.

Mr. KELLEY. Your statement will show, as I recollect, just how much is for repairs and how much for new compasses and other material.

Admiral WASHINGTON. Yes, sir.

OCEAN AND LAKE SURVEYS.

Mr. KELLEY. Ocean and lake surveys. You had \$105,000 this year and you are asking for \$150,000 for next year, and on the basis of 100,000 men you are asking for \$150,000.

Admiral WASHINGTON. This work has no relation to the size of the Navy. It is for increasing our knowledge of the waters and harbors, shoals, etc., of the world, increasing chart knowledge, and during the war, of course, we stopped the foreign survey. Since then we have opened it up again. We have been carrying on this work a great many years by naval vessels and we contemplate continuing the work which was stopped at the breaking out of the war, which was along the coast of Panama and Nicaragua, Honduras, and certain portions of the Pacific, and Cuba; and my recollection is that the Cuban service is very nearly rounded out and the work along the Nicaraguan coast, where we have a great many vessels—back and forth between New Orleans, Galveston, adjacent to the Gulf—is probably far from finished—possibly. Those waters have really never been properly surveyed and we have been doing work on them. I think we began in 1912 and have finished so much each season. The vessel goes down and usually works about six months of the year. It is all in the interest of safe navigation.

Mr. KELLEY. This appropriation is for the payment of the expense of this survey outside of the District of Columbia, outside your office here?

Admiral WASHINGTON. Yes, sir; entirely so. The hydrographer handles the appropriation.

Mr. KELLEY. He is in the Navy Department?

Admiral WASHINGTON. Yes, sir; but the work is all on foreign coasts.

Mr. KELLEY. How many men are engaged in this work?

Admiral WASHINGTON. We have about 700 if we put the four vessels in service that we contemplate—less than 700, say 600.

Mr. KELLEY. How many officers?

Admiral WASHINGTON. It will run about 8 officers to the vessel—about 32.

Mr. KELLEY. There used to be a limitation on the number of vessels that would be assigned to this, and during the war the limitation was removed.

Admiral WASHINGTON. No, sir; that limitation applied only to the number of officers on duty at the Hydrographic Office.

Mr. KELLEY. I think it was removed because of the necessity during the war that you might want to authorize more.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Would it be advisable to put that back again?

Admiral WASHINGTON. No, sir; the limitation on the Navy ought never to have been placed there. I was hydrographer at one time and know what it meant. The Navy carries the biggest chart establishment in the world and when Congress limited us to the employment of two officers the restriction affected the navigation of all the seamen in the world.

Mr. KELLEY. Is there anybody else making charts of similar character under our Government?

Admiral WASHINGTON. Not such as we make.

Mr. KELLEY. Who else is in the chart business?

Admiral WASHINGTON. The Coast Survey does it for the tidewater shores, and the Army for the Great Lakes and rivers.

Mr. KELLEY. Would not that cover this, too?

Admiral WASHINGTON. The Coast Survey does not do surveying except along our own coast, Alaska, the Philippines, and our possessions.

Mr. KELLEY. This appropriation is to be expended for foreign shores?

Admiral WASHINGTON. Entirely. It is a character of work that the Navy has been carrying on for a number of years.

Mr. KELLEY. Do other Governments do this also?

Admiral WASHINGTON. The British Government does much more than we do.

Mr. KELLEY. Do they sell their charts to anybody that wants them?

Admiral WASHINGTON. They are apt to shut down on it at any time.

Mr. KELLEY. Do you sell these?

Admiral WASHINGTON. Yes, sir; on the open market the same as others.

Mr. KELLEY. How much do you get out of the sale of these charts?

Admiral WASHINGTON. A sum of money that after the 30th of June is to be turned back into the Treasury. We got about \$108,000 last year that was simply a recurring fund, a revolving fund. We used it for buying more paper to print the charts on.

Mr. KELLEY. That represented your stock on hand of paper?

Admiral WASHINGTON. Yes, sir; and we sold each chart at the cost of printing and paper, so we made the prices as low as we can with that object in view. When the money comes in, heretofore, we have been allowed a certain part of it to be used for the purpose of more material and republishing these charts and a few years ago we started out with a very meager outfit, and then they discovered this process of replacing them on zinc. Up to that time they had been

made on engraved copper, but after that cut with the zinc method we found we could print them almost like a newspaper and even better than the old way with a fraction of the cost of what they were formerly. So we are trying to reproduce the charts of the world so that when an emergency comes we will not have a nation say we can not use the charts. They have produced certain portions of the world, and we think we are already pretty well advanced toward the completion of that.

Mr. KELLEY. There will be no other funds from the sale of charts from any other source available for the expenses of this service?

Admiral WASHINGTON. We can not use one cent of any other money other than what is appropriated here for this work.

Mr. KELLEY. What did you say about some money being turned back into the Treasury on the 1st of July?

Admiral WASHINGTON. I think Admiral Chandler told me very recently that the fund would not be used for the reprinting of charts after June 30 next. It has no bearing on this appropriation. I was just speaking of the general way in which the charts were produced.

Mr. KELLEY. Heretofore you would have to have an appropriation to cover the charts.

Admiral WASHINGTON. That comes under another bill. It comes under the legislative.

Mr. KELLEY. That is in the District of Columbia.

Admiral WASHINGTON. All that work is in the District of Columbia, and this work covered under this appropriation is entirely outside in foreign territory.

Mr. KELLEY. Do not those men that are in these services get paid for it out of pay of the Navy? The officers are pay of the Navy and subsistence is pay of the Navy.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. What is this \$5,000 for?

Admiral WASHINGTON. It says, for the necessary expenses, including pay of the necessary hydrographic surveyors. That wording has been carried along. It might be plural, cartographic draftsmen and recorders. Those are civilians.

Mr. KELLEY. How many of those are there?

Admiral WASHINGTON. There will be one draftsman; probably one surveyor.

Mr. KELLEY. Suppose we go through that by items. Hydrographic service, including pay of necessary hydrographic surveyor.

Admiral WASHINGTON. That should be plural, "surveyors."

Cartographic draftsmen and recorders: They have one to two of these on board each vessel. That has been about the practice.

Mr. KELLEY. Five vessels?

Admiral WASHINGTON. I think there are four contemplated. It is taking up the work which we left off at the beginning of the war.

Mr. KELLEY. That would be 12 or 15 of those surveyors, draftsmen, and recorders?

Admiral WASHINGTON. Yes, sir. We have got the pay here.

Mr. KELLEY. How much do they get?

Admiral WASHINGTON. The wages of the *Paducah*, \$10,000; the *Leonidas*, \$10,000; the *Hannibal*, \$10,000; the *Dubuque*, \$10,000; the *Guananamo* survey party, \$16,400; total, \$56,400.

Mr. KELLEY. Salaries of service draftsmen and recorders on these five vessels?

Admiral WASHINGTON. Yes, sir.

Mr. AYRES. Those are all civilians?

Admiral WASHINGTON. Yes, sir.

Mr. AYRES. If there are 15 of them, would that mean \$3,500 apiece?

Admiral WASHINGTON. No, sir; surveyors, \$2,000; and recorders, \$1,200. That is about the way they ran. That is for a year.

Mr. KELLEY. There will be five or six of these on each vessel?

Admiral WASHINGTON. Total not to exceed that number, total all told.

Mr. AYRES. Five or six of them.

Mr. KELLEY. Five or six surveyors, draftsmen, and recorders on each vessel.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How much was the nautical books?

Admiral WASHINGTON. We estimated the printing of sailing directions, etc., at \$60,000; chart portfolios at \$10,000; British Admiralty charts, \$25,000. There are certain materials to be used by surveys for the building of signal towers, in which lumber, clamps, bunting, and things of that kind for surveying purposes are used, and the total of that estimated was \$48,600.

Mr. KELLEY. The total of nautical books, charts, and sailing directions was how much?

Admiral WASHINGTON. \$60,000.

Mr. KELLEY. And printing, \$60,000.

Admiral WASHINGTON. The printing of the sailing directions includes the books, printing, etc., \$60,000.

Mr. KELLEY. And for purchase of British charts, \$25,000.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. What was that \$10,000?

Admiral WASHINGTON. For portfolios. Those are covers for charts on the ships in the service and of the stations, more than 700 of them.

Mr. KELLEY. When these charts are printed, from what point are they distributed?

Admiral WASHINGTON. They are distributed to the Navy from the Hydrographic Office and sold from various sales agencies in the principal parts of the country, such as New York, Philadelphia, Baltimore, Norfolk, San Francisco, Portland, Seattle, Manila, and various other places abroad.

Mr. KELLEY. This data is sent down here and printed in the Government Printing Office?

Admiral WASHINGTON. No; they print it in the Navy Department Hydrographic Office. It is a chart establishment. It does no printing of books or papers, but it does print charts, and they have special processes for the chart printing.

Mr. KELLEY. Those charts are sold and the money is turned into the Treasury, so that makes it necessary each time to appropriate the money for the printing?

Mr. FRENCH. And it is all sold at cost?

Admiral WASHINGTON. It is sold at the cost of paper and printing. That is the law. The paper itself usually costs, we will say, I guess, 25 cents a sheet.

NOTE.—Present contract, 40 cents a pound.

Mr. AYRES. What is the object of selling at cost? I mean to private individuals and shippers?

Admiral WASHINGTON. The idea is to disseminate them as much as possible. It is for the safety of life and property, and we do not want a man to not purchase a chart, a new one, just to save 20 or 40 cents. We want him to buy that chart with the latest information, and solely in the interest of a safeguard to life and property.

Mr. FRENCH. Are other nations, such as Great Britain, France, Italy, Japan, doing the same type of work, in precisely the same waters that the United States is operating on under this?

Admiral WASHINGTON. No, sir; no nation really duplicates the survey of another. We accept the other surveys, and print ours from the others when we can get them.

Mr. FRENCH. I thought you said you can not do that because sometimes they will not furnish them.

Admiral WASHINGTON. That is, sell the charts. For instance, during this late war Great Britain refused to sell a great many charts of very necessary waters to other nations that did not happen to have them and could not get them.

Mr. FRENCH. Why could not an arrangement be made, except things they would want to keep secret, to have the plates exchanged?

Admiral WASHINGTON. It would be impossible to make such an arrangement. There are certain countries which will not allow any surveys to be made of their coast harbors, and we have to get them from the best sources we can. There are other nations that are very particular—China and Japan—and up to a few years ago not allowing any surveys to be made of their coasts and harbors. But so far as the dissemination of knowledge among civilized and enlightened nations is concerned, the interchange of charts and data is very general and is very widespread, and there is very little limitation to it except what we call confidential charts, which we do not let go out.

NAVAL TRAINING STATION, CALIFORNIA, MAINTENANCE.

Mr. KELLEY. The next is naval training station, California.

This year we appropriated \$125,000 for this station and we are asking for \$200,000 on the basis of the original estimates and \$200,000 on the basis of any number of men, whether it is 100,000 or 80,000.

Admiral WASHINGTON. If you will remember that last year when the committee appropriated for that I think they found they could not run those stations on the amount of money given us. The request was for \$240,000 and it was cut to \$125,000. The commandant has telegraphed and written repeatedly that he was unable to do any repairs to speak of in upkeep and that he needed more money before he would run behind, and I have replied to him each time that he must live within that appropriation, because he was not allowed to run a shortage. I was out there in August and I went over the whole situation and he is not able to do any work, almost the necessary sanitary upkeep of that station. That \$115,000 that was taken off represented the amount which was necessary to keep the buildings. Many of them he has moved out of because the roofs are almost gone and no money to do anything with. The estimate of \$200,000 this year he will probably be able to live on.

Mr. KELLEY. Don't you think that whatever training is necessary on the Pacific coast this coming year can be done at Mare Island and that this station be abandoned?

Admiral WASHINGTON. Mare Island, I think, is worse. We did not ask, if you recall, for anything at Mare Island, and the buildings there are largely going to pot. At Yerba Buena, we are keeping the main stations in operation on account of its better location, more satisfactory location for the fleet, and we hope to keep that going in good operation until we move down to San Diego, but we only ask the amount of money necessary to keep the buildings up.

Mr. KELLEY. If we go forward between now and the 1st of July without taking in any new men even on the 1st of July outside of the technical schools, those schools are all empty.

Admiral WASHINGTON. They will not be nearly as full. We contemplated in the estimate of last May the closing of the stations at Newport and the Great Lakes. All that we have got on those two places would be trained at Norfolk and at Yerba Buena.

Mr. KELLEY. There would not be many to train anywhere?

Admiral WASHINGTON. Yes, sir; we have got the trained men.

Mr. KELLEY. Let us take that as the basis of our planning. We are not going to recruit any more from now until the 1st of July, so you have six months to clean out your training schools. If you do not take in any more, the youngest recruit will have at least six months to get into the Navy—to get into the fleet or some proper shore station. Outside of technical training in the trade schools, who will be left in the training schools on the 1st of July?

Admiral WASHINGTON. I do not agree with you exactly that you are going to be able to abolish recruiting entirely. I think we will have a deficit which will have to be filled up.

Mr. KELLEY. Not before the 1st of July.

Admiral WASHINGTON. Not before then. It is contemplated that after this coming year we will revert to the former practice, which was undoubtedly the better one, of sending the men to these schools from the ships. Heretofore during the past year and during the demobilization we have been unable to take the men from the ships who have had a minor amount of training and make them good machinists and good radio men and electricians, and we have sent the men as we recruited them direct from the farm to these schools to test them out; so that our discharge from the schools and back into the service has been about 25 per cent after we have had them at the school a little while and we found that the men were not equipped.

After this coming year we propose to go back to the old system and let the commanding officer of each ship pick out two or three men from each ship monthly, with this rating or that, and send them to the schools. There we get the men who have shown a tendency to develop along that type and class of work. That will keep those schools going. If we take the men from the ships and send them to the schools, we are going to have to replace them with new men.

Commander PORTERFIELD. We used to recruit a man, and he only got three or four months' training and started out with his work as a seaman or fireman, but the trade schools go up to eight or nine months, and some of them even longer.

Mr. KELLEY. I am talking about trade schools. I can see how you would need your trade schools, but who will there be in the training schools the 1st of next July except those who are in the trade schools?

Admiral WASHINGTON. If we have the ideal case you are looking at, I can not see that there would be any.

Mr. KELLEY. That is what we want.

Admiral WASHINGTON. I do not think that case is going to exist.

Mr. KELLEY. I do not see how you can get any other condition. You do not recruit anybody; you do not take in any new ones between now and the 1st of July, and you certainly will not between now and the 1st of July, because you would have a deficit if you did.

Admiral WASHINGTON. But we are not going to start that for six months, and if the condition is anticipatory, then it will reach 12 months.

Mr. KELLEY. I am trying to develop what you will have when you start in July 1, 1921, and then as you go along through the year.

Admiral WASHINGTON. If Congress was in session and would change that.

Mr. KELLEY. We have been in session all the while since I have been in Congress.

Admiral WASHINGTON. It might do. We are asking for a condition which looks to me like it is almost ideal if worked out that way with 60 per cent of reenlistments, with good four-year men.

Mr. KELLEY. Leaving that all out, take the next six months; you know you will not take in any recruits in the next six months, because if you did you would create a deficit, and you can not do that. So that those training schools at the end of six months will be empty except for the men that are taking a longer course than six months. That seems to be almost self-evident.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. So that when you get to the 1st of July this school out here in California or any of the other schools will not have any students in them except those who are assigned there for this advanced work. When you find a good bright boy you send him to a trade school for more training. That seems like a sound policy but there will be practically no apprentice seamen taking the four months' course.

Admiral WASHINGTON. Suppose we sent that good, bright boy, or a lot of them, to schools from the ships?

Mr. KELLEY. Well, that is all right.

Admiral WASHINGTON. We have got to replace them by somebody.

Mr. KELLEY. Not necessarily.

Admiral WASHINGTON. Not to hold a given number, but we have got to fill up a certain seepage or loss. It seems to me that is a point to look at. If we had had a longer period than six months to go on, I could take your view of it much more quickly. But this past seven months has not been a fair criterion. I do not want to get caught here with a big shortage, possibly, and no funds with which to keep the Navy up when we are estimating for 18 months ahead.

Mr. KELLEY. You are not going to ask us to keep those training schools all going without any students in them?

Admiral WASHINGTON. No, sir; we would use that money. That money would therefore all go back. There must be a certain amount of upkeep.

DISTRIBUTION OF TRAINEES.

Mr. KELLEY. Suppose we plan on training practically only those in the trade schools and make our appropriations for training schools on that basis.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And that if any other situation develops that makes additional training necessary that Congress will take cognizance of it. Then how much of a training school would you need in California?

Admiral WASHINGTON. We might drop it entirely and put all our people at Hampton Roads, which is a more suitable place.

Mr. KELLEY. Would it be a feasible proposition to maintain one training station and close the rest?

Admiral WASHINGTON. I think if the committee will give us enough money to run Hampton Roads to its full capacity it would meet that requirement and the others could be closed.

Mr. KELLEY. If Hampton Roads were run at full capacity the other schools might be closed?

Admiral WASHINGTON. Yes, sir; I think that would meet the requirements.

Mr. AYRES. How many training schools are there?

Admiral WASHINGTON. Four.

Mr. AYRES. Two on the Pacific and two here?

Admiral WASHINGTON. Yes, sir; and one on the Great Lakes. There is one on the Pacific and one on the Great Lakes.

Capt. ENOCHS. You would lose a lot of transportation money by not keeping two out on the west coast.

Admiral WASHINGTON. We would have to move some of the schools at the Great Lakes away from there. That would cost us something.

Mr. KELLEY. Suppose we keep the trade school at the Great Lakes. Could that be segregated in such a way as to close unused buildings?

Admiral WASHINGTON. I think the Great Lakes would be a much more expensive proposition to run relatively than any of the others on account of the climate through the long winter and the fact that everybody that we send there has to be then sent back to the seacoast.

Mr. KELLEY. Could all of that training be done at Hampton Roads trade school?

Admiral WASHINGTON. It would take us some little while to reestablish everything there, if we could get quarters. The buildings would not be satisfactory to move the machinists school and radio school from Hampton Roads to the Great Lakes.

Mr. KELLEY. How many students in aviation and other technical courses are there at Chicago?

Admiral WASHINGTON. At Chicago, the 18th of December, there were 1,287 in aviation, 442 in the hospital corps, 2,007 in the machinists mess, and 1,260 in the radio.

Mr. KELLEY. That make a total of how many?

Admiral WASHINGTON. The total is a little over 5,000.

Mr. KELLEY. Could not we close down enough of the Chicago institution keeping in operation only enough of the plant to accommodate these 5,000?

Admiral WASHINGTON. That could be done.

Mr. KELLEY. That ought to be perfectly feasible.

Admiral WASHINGTON. It would be feasible.

Mr. KELLEY. Before the war we used to have only 1,500 boys in the Chicago school.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. There are 5,000 boys there in the technical courses and we could keep open and in operation a sufficient plant to accommodate them only.

Admiral WASHINGTON. I should think that would meet all the requirements.

Mr. KELLEY. Such apprentice seamen as might be needed could be accommodated at Hampton Roads.

Admiral WASHINGTON. Of course, it does have an advantage to have the people who are recruited on the west coast, for instance, sent to some near-by station—near-by to their own interests.

Mr. KELLEY. Would there be a sufficient number there to pay for keeping it open?

Admiral WASHINGTON. There were a great many enlisted in California—from the State of California—800 men that were sent to Hampton Roads.

Mr. KELLEY. That is not the proposition, because you would not be taking in new men.

Commander PORTERFIELD. We ought to keep a trade school on the west coast.

Mr. KELLEY. How many are in the trade school at San Francisco?

Admiral WASHINGTON. There are 87 in the bakers, 34 buglers, 15 commissary stewards, 93 cooks, and 596 in the hospital corps, 172 musicians, 107 radio people, and 47 signalmen.

Mr. KELLEY. The trade school on the Pacific is out at Mare Island, is it not?

Admiral WASHINGTON. At Mare Island, at the navy yard.

Mr. KELLEY. Why could not that be taken care of at Mare Island and close up the school at Goat Island?

Mr. AYRES. Establish a trade school at Mare Island and at Hampton Roads.

Admiral WASHINGTON. I should have said that those were at San Francisco instead of Mare Island that I read you.

Mr. KELLEY. Should not you do this? Think of this proposition. Consider your trade school situation with a view of continuing just the trade schools. And then consolidate your seamens' training at some one place and see how that would work out and then with that in view consider the appropriations necessary to carry on that work for these different schools.

Mr. AYRES. Do you mean to have a trade school and training school on the Pacific and also at Hampton Roads and close two of the others?

Mr. KELLEY. My idea was from what I gathered from the Admiral that Chicago is at the present time the best equipped for a trade school.

Admiral WASHINGTON. Certain of them are. We have no aviation elsewhere than at Chicago.

Mr. KELLEY. And some 5,000 trade-school boys are at Chicago now. Those courses are long and they would have to finish those courses and go back into the Navy and other boys will be assigned from the Navy for special training in those trade schools. No new recruits would be sent to Chicago, but let the trade-school work go on there for the coming year. At Hampton Roads continue whatever training is necessary, and on the Pacific coast you will probably have to

have some trade-school facilities continued either at Goat Island or at Mare Island Navy Yard.

Admiral WASHINGTON. We will have plenty of facilities for apprentice seamen at Hampton Roads at the cost of moving these.

Mr. KELLEY. There will not be anybody to move.

Admiral WASHINGTON. Not anyone.

Mr. KELLEY. If you are not recruiting any during the coming year, they will all be out of the training schools by the coming July, except those in the trade schools.

Admiral WASHINGTON. I mean facilities we have there.

Mr. KELLEY. I thought the Pacific trade schools were at Mare Island Navy Yard.

Admiral WASHINGTON. What the navy yard has is entirely distinct from what we have. In fact, our facilities at the Mare Island Yard are quite limited in the way of instructional purposes.

Mr. KELLEY. What shops are there at Goat Island?

Admiral WASHINGTON. That is, at San Francisco and Yerba Buena?

Mr. KELLEY. Yes.

Admiral WASHINGTON. Not very much.

Mr. KELLEY. What are you teaching the boys in the advance courses on the Pacific?

Admiral WASHINGTON. Electricians, fuel oil, gyro compass, radio-people, and artificers are all taught at Mare Island.

Mr. KELLEY. Why not keep that going at Mare Island?

Admiral WASHINGTON. Then comes up the question of maintenance of Mare Island station. That station has gone to pot because we have not asked for more money. It has been almost abandoned.

Mr. KELLEY. You have your trade school. How many boys are there; how many boys are there now at Mare Island?

Admiral WASHINGTON. There are 1,118 at the date of our latest report.

Mr. KELLEY. Let us keep that going at Mare Island and if it is necessary to have some buildings, very well. But what is the need of continuing Goat Island School if we are going to abandon it in a short time anyhow?

Admiral WASHINGTON. It is only continued from day to day and week to week.

Mr. KELLEY. If you do not need it for apprentice seamen you will not need it at all?

Admiral WASHINGTON. No.

Mr. KELLEY. Consider the question of taking your trade school courses at Mare Island, mechanical training, and your trade school courses at Chicago, and have Hampton Roads for your general training, whatever is necessary, and close up the school at Newport entirely for the present.

Capt. ENOCHS. Certainly, for the fiscal year 1923 we have got to have some apprentice seamen on the west coast.

Mr. KELLEY. We are building a new training school? San Diego will be in operation by that time.

Admiral WASHINGTON. Not at the rate they have cut that appropriation.

Mr. KELLEY. We have appropriated the money but it has not yet been used.

Admiral WASHINGTON. I would be willing to reduce San Francisco station—Yerba Buena—rapidly if we could move to San Diego.

Mr. KELLEY. I will assist you in that.

Admiral WASHINGTON. It is going to be a question of when we will get into San Diego.

Mr. KELLEY. You may figure on getting into there on too big a basis. It seems to me we have got training-school facilities enough now to train boys for all the navies in the world.

Admiral WASHINGTON. We have large facilities.

Mr. KELLEY. How many could we train in Chicago?

Admiral WASHINGTON. The Chicago capacity was 45,000, but more than half of that has gone to rack and ruin.

Mr. KELLEY. They are war structures. We can not keep them up; the cost is prohibitive. How many could we train at Hampton Roads?

Admiral WASHINGTON. Twenty-three thousand.

Mr. KELLEY. That is 68,000 beside Newport and Goat Island.

Admiral WASHINGTON. We have the figures here to show you the whole thing.

Mr. KELLEY. If you train 75,000 boys every four months, that is 225,000 a year? Your requirements would not be over 25,000 a year ordinarily with a Navy of 100,000 men.

Admiral WASHINGTON. We have got much more facility than we need.

Mr. KELLEY. Yes; and our problem is to close part of it down and reduce the expense.

Admiral WASHINGTON. That was an outgrowth of the war. Newport has a capacity of 11,000; Hampton Roads has 23,800; Great Lakes has 25,000; San Francisco has 4,000; Mare Island has 3,120; so that of these there are no further needs for that; and not having the money to keep them up, we are letting the buildings go to rack and ruin, except this war salvage and for other purposes; so that the actual capacity to put the men in those buildings would be proper to have less than half of those figures to make them habitable.

Mr. FRENCH. In reducing the facilities for the different training yards, would there be as much gained by reducing the number to be trained and facilities for training at each of the several stations instead of transferring all of the training of one kind to one station and all of the training of another kind to another station? That is, you would prefer to have all of one kind of training done at the Great Lakes and all the other at the Mare Island and all of the other at Hampton Roads?

Admiral WASHINGTON. It would be better to consolidate them than to have a different character of training at the different stations.

Mr. FRENCH. And have several kinds going on at one station?

Admiral WASHINGTON. Yes.

Mr. FRENCH. It occurred to me that would be the case, but I was wondering if we could not arrive at the same conclusion that has been suggested, to maintain something of a plant that could handle all of it at each of the different places.

Admiral WASHINGTON. We started out with only one training station some years back, and did all our work there. That was 30 years ago. The others gradually grew up.

Mr. KELLEY. Absolutely. Of course, you can readily see without any further analysis that your training proposition for the next year is almost wholly a question of trade schools.

Admiral WASHINGTON. Very largely.

WEDNESDAY, JANUARY 12, 1921.

Mr. KELLEY. When we adjourned last night, Admiral, we were discussing the California training school, and I think you were going to consider overnight the feasibility of discontinuing that school or operating it merely on the basis of taking care of the trade school features. What have you worked out?

Admiral WASHINGTON. With the appropriation of last year, duplicated this year, that is \$125,000, I believe we can pull through the coming year, using Yerba Buena and moving down all the activities on that coast, wherever they may be, and stopping everything at Mare Island. I believe we can run it thus more satisfactorily than we could by moving up to Mare Island. The plant at Yerba Buena is completed and it would require very little, so far as the transportation is concerned, to move from Mare Island down to Yerba Buena. I suppose the electrical outfit, so far as necessary, could be installed without much expense for carrying on the electrical school. The Hospital Corps training school could be moved, if necessary, to the hospital at Mare Island, and we could run Yerba Buena on what we have had during the past year, but without making any repairs to the buildings.

Mr. KELLEY. You would not plan to make any repairs, except to keep the buildings habitable?

Admiral WASHINGTON. That is all; we want to keep them going until San Diego is ready.

WEST COAST TRAINEES.

Mr. KELLEY. How many trade-school boys are out there now, at one place or the other; that is, Mare Island or Goat Island?

Admiral WASHINGTON. The report I have here is as of the 15th of December, and at that time we had at Mare Island a total of 1,118. Of course, these numbers have been reduced very materially from what they have been, because all the men that we could get who were approaching graduation, we might say, were transferred to the fleet which went south last week, so that the number as shown on this list is probably less than it will be in January, or was on the 1st of December. We had, December 15, 1,118 at Mare Island and 4,200 at San Francisco.

Mr. KELLEY. All of them were apprentice seamen?

Admiral WASHINGTON. No, sir; they were men in training schools, principally.

Mr. KELLEY. The 4,200 you mentioned were at Goat Island?

Admiral WASHINGTON. Yes, sir; but at Mare Island we had a few apprentice seamen, firemen, third class, and various ratings, 215; artificers, 114.

Mr. KELLEY. At Mare Island?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Just give me the trade school classes.

Admiral WASHINGTON. Artificers 114, electricians 327, fuel oil 174, gyro-compass 31, and radio 59. Those schools will probably show less than they had before the fleet went south.

Mr. KELLEY. Are those all the different kinds of schools you have there?

Admiral WASHINGTON. Those are all the schools; yes, sir.

Mr. KELLEY. That is, at Mare Island?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Give me the same information as to Goat Island.

Admiral WASHINGTON. At Goat Island, bakers 87, buglers 34, commissary stewards 15, cooks 93, hospital corps 596, musicians 172, radio 107, signal 47, yeoman 296, and in addition to that we have these apprentice seamen.

Mr. KELLEY. The rest at each of those places, making up the 1,118 at Mare Island and 4,200 at Goat Island, are apprentice seamen?

Admiral WASHINGTON. Apprentice seamen and firemen; the two ratings are under training there.

Mr. KELLEY. How many firemen?

Admiral WASHINGTON. At San Francisco 933 and at Mare Island 157.

Mr. KELLEY. Do the firemen get a long course of training?

Admiral WASHINGTON. Three months.

Mr. KELLEY. Have you the total of these ratings?

Admiral WASHINGTON. 1,985 would be the total at San Francisco of men in the trade schools.

Mr. KELLEY. Mr. Pugh says the total at both places is 2,242. Would that be about what you would have there during the next fiscal year?

Admiral WASHINGTON. If we reduced the personnel to 100,000, we would not need to provide for training on the Pacific for more than that number.

Mr. KELLEY. You can take care of this with the \$125,000, and such incidental apprentice seamen training as circumstances might seem to require?

Admiral WASHINGTON. We did it during the present year, but with no repairs to the buildings; everything is going downhill all the while, no money being spent for repairs.

Mr. KELLEY. Of course, that would mean that this would be the only fund? There would not be anything coming from any source like Yards and Docks?

Admiral WASHINGTON. It might be possible that they would call on Yards and Docks, but I do not know whether they would get it.

Mr. KELLEY. Admiral Parks, how much have you spent for maintenance and upkeep at Goat Island up to date the present year?

Admiral PARKS. For power plant, up to and including November, \$729.68; station equipment, that is, motor transportation—

Mr. KELLEY (interposing). Do you mean automobiles?

Admiral PARKS. Yes; \$1,073.26 and classified employees, \$13.60, a total of \$1,816.54 for the first five months.

Mr. KELLEY. It is substantially nothing, and you are not going to do much there for them during the balance of the year?

Admiral PARKS. Very little.

Mr. KELLEY. You could discontinue practically everything, except some contingency, I suppose?

Admiral PARKS. The law requires us to furnish passenger automobiles, and at Goat Island that is about \$288 a month.

NAVAL TRAINING STATION, RHODE ISLAND, MAINTENANCE.

Mr. KELLEY. The next is the Naval Training Station, Rhode Island. This present year you had \$275,000 for this station and you are now asking \$500,000. I wish you would make a short statement as to the general policy which has been followed there with reference to the necessity for moving out of the permanent buildings and moving into temporary war buildings.

Admiral WASHINGTON. Those are not temporary war buildings; those are permanent war buildings, I mean, as long as they last. They are probably the best constructed of the lot, I think.

Mr. KELLEY. They are not different from the buildings in the Army camps, are they?

Admiral WASHINGTON. I think they are very much better.

Admiral PARKS. Decidedly better.

Admiral WASHINGTON. Certainly their appearance is very much better than the Army encampments, and I believe the idea is that they will last for about 15 years.

Admiral PARKS. Except the roofs. The roofs are temporary and are supposed to be good for six years; that they will require recovering within that time.

CONDITION OF PERMANENT BUILDINGS.

Mr. KELLEY. Admiral Parks, I wish you would give us a little more information about the character of the buildings and also about the condition of the permanent buildings which made it necessary, in your judgment, if that is the fact, to move out of the permanent buildings into these war emergency buildings.

Admiral PARKS. Repairs have been postponed on the permanent buildings for a considerable length of time and the result is a poor condition of the plumbing and heating systems and also of the roofs; the floors are pretty badly worn, but the trouble is particularly with the plumbing and heating systems.

Mr. KELLEY. Do you mean by that that in all the buildings formerly occupied by the school the plumbing had to be replaced?

Admiral PARKS. It has been desirable for a long time to replace it, and last year it was thought that the limit had been about reached. An effort was made to secure funds for repairing the plumbing, heating, roofs, and floors, and some work has been done out of the current appropriations.

Mr. KELLEY. Have you put any repairs on the permanent buildings out of your funds?

Admiral PARKS. Yes; we have put considerable during this last year.

Mr. KELLEY. What was the use of doing that if they had to be moved out of?

Admiral PARKS. Well, that was arranged for before they moved out, and we did not get enough done to make it desirable for them to remain in the buildings. I think somewhere in the neighborhood of \$300,000 ought to be expended in repairs on the buildings, and we were not able to spend more than about \$60,000 altogether.

Mr. KELLEY. You put on the buildings about \$60,000 in repairs last year?

Admiral PARKS. Approximately that.

Mr. KELLEY. And \$240,000 more is needed?

Admiral PARKS. Approximately.

Mr. KELLEY. To take care of the plumbing, and what else?

Admiral PARKS. The plumbing, heating, roofs, and floors.

Mr. KELLEY. What sort of floors are they?

Admiral PARKS. They are wooden floors, to a large extent, but the floors which need particular attention are the galley floors, and things of that kind, which ought to be made tile floors or terrazzo, or something of that kind.

Mr. KELLEY. What are galley floors?

Admiral PARKS. The cooking space; such space needs to have a hard floor that can be kept clean by scrubbing.

Mr. KELLEY. How much have you allotted up to date this year on maintenance and preservation?

Admiral PARKS. On maintenance \$43,261.84, up to the end of November.

Mr. KELLEY. That is on the permanent buildings?

Admiral PARKS. That is on the whole station.

Mr. KELLEY. Do you know how much on the permanent buildings?

Admiral PARKS. No; I have not that division.

Mr. KELLEY. What have you allotted for the balance of the year?

Admiral PARKS. At approximately the same rate, about \$8,800 per month. I think it is a little less than that, because we have had to cut the allotments beginning this quarter; I should say approximately \$8,000, about 10 per cent off.

Mr. KELLEY. What right did you have to do this?

Admiral PARKS. The principal item I have up there is classified employees—that is, on the training station—and I am charging it as at the training station, but the force is used for the public works at the torpedo station, on Gould Island, at the training station, the hospital, and the fuel-oil station. That happens to be the location of the public works office for the activities in Narragansett Bay; it would be practically the same expenditure if I had that office located at the torpedo station or at some other place, but it happens to be convenient to have it at the naval station.

Mr. KELLEY. Then this \$86,000 is not really for the maintenance of the training school?

Admiral PARKS. Not for the training school.

Mr. KELLEY. Although it is charged up against the training school?

Admiral PARKS. No; it is charged against the Newport station.

Mr. KELLEY. And the training school is a part of that general station.

Admiral PARKS. The training school is one part of it. Possibly a fair estimate might be one-third of it on account of the training school and two-thirds on account of the other activities.

Mr. KELLEY. You put the \$60,000 of repairs on the station?

Admiral PARKS. Yes; on the station.

Mr. KELLEY. What authority did you have to put repairs on the station?

Admiral PARKS. The appropriation reads "for repairs and preservation, navy yards and stations," and a training station is a station.

Mr. KELLEY. But we make a special appropriation for these schools, and when a special appropriation is made for a station you are not supposed, are you, to use any of your funds at that same station?

Admiral PARKS. It depends on how the appropriation reads; if the appropriation for the training station covers repairs, then repairs, yards and docks, should not be available for them, but if it is not inclusive of repairs, then under the designation of "navy yards and stations, repairs and preservation," yards and docks, is available.

Mr. KELLEY. How did the appropriation read in this case?

Admiral PARKS. I am not sure how the appropriation reads.

Mr. KELLEY. I will read it to you.

General care, repairs, and improvements of grounds, buildings, and wharves.

Admiral PARKS. Well, an item for repairs is in there.

Mr. KELLEY. Then you should not have spent any money on this station for repairs.

Admiral PARKS. I think there is rather a serious doubt about it. That matter was taken up with the Bureau of Supplies and Accounts, which is supposed to be the authority on our appropriations.

Mr. KELLEY. Did they say you had a right to do it?

Admiral PARKS. It went through Supplies and Accounts all right.

Mr. KELLEY. Is this all you have spent there during the last six months?

Admiral PARKS. I think it is.

Mr. KELLEY. Are you planning to spend any more during the next six months?

Admiral PARKS. No; I have no further contracts under repairs and preservation. I think the maintenance expenditure will come down pretty soon because the ordnance work on Gould Island is approaching completion; the inspectors and others who are used on that work will be through in two or three months, probably.

Mr. KELLEY. Which of these two plants is the most economical—the one into which they moved or the one they left?

Admiral PARKS. I have not sufficient information to know about that.

Mr. KELLEY. How many heating systems are in the old plant?

Admiral WASHINGTON. I think there are three.

Admiral PARKS. A new heating system was built there early in the war and I think the old one was abandoned when the new heating system was built. I think that is sufficient for everything on the island.

Mr. KELLEY. You have a central heating plant that heats everything on the island?

Admiral PARKS. Yes.

Mr. KELLEY. How many heating plants are over in the new place?

Admiral PARKS. I think we have two over there, either two or three.

Mr. KELLEY. Do you not have six?

Admiral PARKS. I do not think we put six over there; we have one in the detention, one down at the southeasterly part, and one in the southwesterly part; as I recall it, there are three.

Admiral WASHINGTON. I think that is correct; two main ones and a small one.

Admiral PARKS. The distributing systems required so much in pipe, etc., if only one was used, that it was thought more economical to make it three.

TEMPORARY ADDITION.

Mr. KELLEY. Did you build that new plant?

Admiral PARKS. I did.

Mr. KELLEY. You built it after the war was over, did you not?

Admiral PARKS. It was practically all obligated before the armistice and some work had been done before the armistice; all the material had been ordered.

Mr. KELLEY. Inasmuch as we had many times the training school facilities we needed without it, why would it not have been better to have canceled that the same as we canceled other works in progress?

Admiral PARKS. Well, there was a general feeling that the Navy was not only going to do training for its own service but would do work for the Shipping Board.

Mr. KELLEY. There was no legislation to that effect?

Admiral PARKS. No; there was no legislation, but under the war powers Navigation was frequently requested by the Shipping Board to make provisions, and that last work at Coddington Point, at Hampton Roads, and also at the Great Lakes, was based on a request, if I am correct, to make provision for 240,000 men for merchant shipping under the Shipping Board; I am not sure I have the figures correct, but it was a large number.

Mr. KELLEY. Who made that request of you?

Admiral PARKS. That was the Shipping Board.

Mr. KELLEY. Direct to you?

Admiral PARKS. No; that went to the Chief of the Bureau of Navigation.

Mr. KELLEY. With whom did you take up the matter of going on with the plant or discontinuing it?

Admiral PARKS. The Secretary of the Navy.

Mr. KELLEY. And he thought you had better go ahead with it?

Admiral PARKS. Well, we thought at first that we had better cancel all we could, and we canceled about one-third of the plant at Coddington Point.

Mr. KELLEY. What would you do with this plant, now that you have it on your hands and have no need for it for training for the Navy?

Admiral PARKS. Well, I do not know that I am in a position to say it is not needed.

Mr. KELLEY. Well, for the moment, let us assume that. What would you do with it, now that you have it on your hands, and have no need for it for training?

Admiral PARKS. It is more complicated than some of the others. The site was purchased by the city of Newport for, we understood, approximately \$150,000, and Congress authorized its acceptance at \$100,000 for the extension of the Newport Training Station, and in view of the fact that Congress has authorized its acceptance at a price less than is known to have been paid by the city of Newport, I feel a little hesitancy as to stating what I would do with it. The idea was that that land would be permanently useful.

Mr. KELLEY. What for?

Admiral PARKS. For training.

Mr. KELLEY. For the Navy?

Admiral PARKS. The Navy, and possibly what we might have in the way of reserves under the Shipping Board. It was really the Shipping Board's request that made that last increase something like a capacity of 37,000.

Mr. KELLEY. How much did you spend on this site?

Admiral PARKS. Approximately \$5,000,000.

Mr. KELLEY. That is what the entire plant cost us, \$5,000,000?

Admiral PARKS. Approximately that.

Mr. KELLEY. If we do not use it next year how much would it cost to just keep it from running down?

Admiral PARKS. That is, to drain the system—

Mr. KELLEY (interposing). Just to keep it in condition so that it will not deteriorate. How much would it cost for that purpose?

Admiral PARKS. Approximately \$40,000. You will have to drain the water out and dry it out in order to avoid the effects of freezing, and do some roof patching, of course.

Mr. KELLEY. If these buildings are as good as you say the roofs ought not to give way in a couple of years.

Admiral PARKS. It is all temporary roofing, and it does not all last six years; the wind gets at it, and we have to do some repairing.

Mr. KELLEY. How much do you estimate it will cost for repairs?

Admiral PARKS. I should think \$6,000 or \$7,000 would probably keep the roofs in repair.

Mr. KELLEY. And that amount, together with the \$40,000, would cover everything?

Admiral PARKS. That is all that is necessary.

Mr. Wood. What kind of roofs have you?

Admiral PARKS. It is temporary, ready-made roofing.

Mr. Wood. Paper?

Admiral PARKS. No; it is something of the type of the flint coated. Just the particular roofing we used there I am not sure.

COST OF MAINTENANCE.

Mr. KELLEY. How much will it cost to keep the old plant from running down any more than it is?

Admiral PARKS. That is, closed?

Mr. KELLEY. Closed; yes.

Admiral PARKS. I do not think it would require anything but watchmen.

Mr. KELLEY. Just close it up and see that nothing happens to it?

Admiral PARKS. Yes.

Mr. KELLEY. How much would that be at an outside figure?

Admiral PARKS. The watchmen proposition would cost about \$15,000. There is one other matter there; I think the War College is also heated from that central power plant, and unless the War College is shut down, too, it would be necessary to have an operating force in the power plant for heating the War College.

Mr. KELLEY. That can be taken care of when we come to the War College appropriation.

Admiral PARKS. And that would be a considerable amount. It takes a considerable amount to operate a power plant, whether you are operating it for heating one building or for a lot of them.

Mr. KELLEY. How many buildings does the War College occupy?

Admiral PARKS. I think one only, and probably one or two sets of quarters.

Admiral WASHINGTON. The president of the college has one set.

Mr. KELLEY. Do not the officers have homes in which to live?

Admiral WASHINGTON. No; they are scattered all over Newport and Jamestown.

Mr. KELLEY. How many buildings are in the old plant?

Admiral PARKS. Fifty-four altogether, aside from some temporary buildings that have been erected in between the permanent buildings.

Mr. KELLEY. These are all brick buildings, are they not?

Admiral PARKS. They are not all brick.

Admiral WASHINGTON. May I ask whether that includes the hospital plant?

Admiral PARKS. No; that is the training station and the War College only.

Mr. KELLEY. Does the hospital serve all of the activities of the Navy at that point?

Admiral PARKS. I think it does.

Admiral WASHINGTON. It does.

Mr. KELLEY. The War College and the torpedo station?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And the training school?

Admiral WASHINGTON. And the people from the fleet.

Mr. KELLEY. Would these buildings of the old plant be suitable for storage?

Admiral PARKS. Very few of them.

Mr. KELLEY. The brick ones would be all right, would they not?

Admiral PARKS. I do not think the brick buildings have floors that are suitable for storage; they are probably made for a 75-pound load—that is, for personnel rather than for material—and they ought to be at least 200-pound floors for storage.

Mr. KELLEY. Then so far as the preservation of that plant is concerned, until we know what we ought to do with it, in case we do not need to use it during the next fiscal year, \$55,000 would take care of it, outside of the question of heat for the War College?

Admiral PARKS. Well, that has been made up a little differently. I have a fire protection estimate, and that will probably be necessary if it is closed up.

Mr. KELLEY. How much would that be?

Admiral PARKS. The one I furnished Navigation was \$300 a day, making \$109,500 for the fire protection.

Mr. KELLEY. Is that mostly needed for the new plant or for the old one?

Admiral PARKS. That was for the whole training station closed up, the whole of Newport.

Mr. KELLEY. How would it be apportioned between the new one and the old one?

Admiral PARKS. It would be mostly for the new plant; about three-fourths of it for the new plant and about one-fourth for the other plant.

Mr. KELLEY. It would be about \$25,000 for fire protection of the old plant?

Admiral PARKS. Yes, sir.

Mr. KELLEY. How far from the old plant is the new one—it is not on the island at all?

Admiral PARKS. No; the new plant is on Coddington Point, and the shores are about 1,200 feet apart, I think, on the average.

Admiral WASHINGTON. The edges are that far apart, but the main stations would be a greater distance than that.

Mr. KELLEY. I mean straight across.

Admiral WASHINGTON. Straight across it would probably be less than a mile.

Mr. KELLEY. Is this in a residential section, or is Coddington Point out there by itself?

Admiral PARKS. It is out there by itself.

Mr. KELLEY. So that a fire would not spread to the city?

Admiral PARKS. No; it would not spread to the city.

Mr. KELLEY. If we do not need these additional war facilities for training, why would not the best plan be to demolish them? For instance, we know that a certain number of men must be trained annually for the Navy, and that is a matter easily calculated, possibly 2,500 at each school. Why not get these training activities back into the permanent buildings and stop this endless waste of money for maintenance of these war structures?

Admiral PARKS. Personally I am not sure of my grounds, but I believe there is something very radical going to be done to the merchant marine, and I believe it will probably be some move to provide a naval reserve to cover a part of the personnel of that merchant marine, and I believe it will be advantageous for the Government to train more men than it is now training for the Navy. There is one thing on which I base that. Our merchant marine is costing more per dead-weight ton than the foreign merchant marine, and something will have to be done to equalize the capital upon which earnings are to be based, and I have thought that some arrangement could be made that would put this tonnage in at a reasonable rate and providing that the operators shall take care of a certain number of naval reserves in their crews.

Mr. KELLEY. Your judgment is that pending some final disposition of the merchant marine situation it will be advisable—

Admiral PARKS (interposing). To stay as we are for the time being.

Mr. KELLEY. For another year or so?

Admiral PARKS. Yes; if that matter is settled within a year. But I have a feeling that something is going to be brought about that will put the merchant marine on a satisfactory basis and at the same time will do something toward the establishment of a proper naval reserve, and I have a feeling that some of these things that look absolutely useless to us now will be very important. I would say go slow at present on this thing.

Mr. WOOD. Take the institution you have at Newport, on which you spent \$5,000,000 after the war was over; it has never been of 15 cents benefit to the Government, has it?

Admiral PARKS. I am not sure of that.

Mr. WOOD. And it takes \$40,000 a year to take care of dead property.

Admiral PARKS. That is a dead property, to be sure, but it has been occupied long enough for Admiral Washington to have an idea of what it is costing to operate.

Mr. WOOD. It is a pretty costly experiment to spend \$5,000,000 to find out how much it costs to operate.

Mr. KELLEY. Of course, you must bear this general thing in mind, Admiral, that all of these unnecessary activities are a heavy load on the legitimate activities of the Navy, and if you load too many of them on you drag the whole institution down.

Admiral PARKS. I believe we ought to get rid of everything we do not need.

Mr. KELLEY. The Navy is something the country has use for and has faith in, and when you load it up with expenses like this it is unfair to the Navy.

Admiral PARKS. The matter to which I have just referred I have not discussed before, and I have not given it enough attention to get a definite view.

Mr. KELLEY. In any event, \$55,000 would take care of the repairs and preservation of both plants and it would take \$25,000 more for the fire protection of the old plant.

Admiral PARKS. Yes, sir.

Mr. KELLEY. That would be \$80,000 that you think it is necessary to appropriate in order to protect the property up there, without any fire protection for the new plant?

Admiral PARKS. I do.

Mr. KELLEY. That is more than this station cost altogether before the war, for all purposes.

Admiral PARKS. Of course, that could be made to look less by putting enlisted men in where I have provided for civilians, but it would not cost any less.

Mr. KELLEY. I think I remember something about that. At this particular station before the war they did employ enlisted men to a large extent but later that was changed to the employment of civilian employees.

Admiral WASHINGTON. Partially changed.

Mr. KELLEY. Which made a difference in the bookkeeping cost of the institution.

Admiral PARKS. Yes.

CLOSING STATION.

Mr. KELLEY. That is all, perhaps, as to the requirements in case it is shut down. Now, Admiral Washington, what have you to say about closing it down?

Admiral WASHINGTON. If we are to close any of those stations Newport is the one that we could spare with less detriment to the general good. We have Hampton Roads, which is sufficient to supply all of our needs for the training of recruits with the reduced personnel, and with no other demands on the Navy beyond that of a personnel of practically 100,000 Hampton Roads could be made to meet all of our requirements.

Mr. KELLEY. What is the capacity at Hampton Roads for training?

Admiral WASHINGTON. By opening up East Camp it would be a little more than 20,000, at a maximum. If we moved any of the

other trade schools there, which we would have to do under the circumstances, we were discussing yesterday, then that capacity would be somewhat reduced, but not very much.

Mr. KELLEY. In the neighborhood of 20,000 apprentice seamen could be taken care of there.

Admiral WASHINGTON. We certainly would be able to carry as many as 15,000.

Mr. KELLEY. And if we gave each one four months' training you could train 50,000 boys there a year without much trouble, and that is more than you would need for a navy of 143,000.

Admiral WASHINGTON. Yes.

Mr. KELLEY. So you see we are loaded down with training facilities.

Admiral WASHINGTON. We have more training capacity than we need under peace conditions.

CLASSIFIED EMPLOYEES.

Mr. KELLEY. At the bottom of page 25 there is this proviso:

That the sum to be paid out of this appropriation under the direction of the Secretary of the Navy for clerical, drafting, inspection, and messenger service for the fiscal year ending June 30, 1922, shall not exceed \$30,000.

With the closing down of the station we will not need to put that proviso in at all, will we?

Admiral WASHINGTON. No, sir; I think not, I do not see that we would need any if the station were closed, but if the station is not to be closed I hope the committee will not omit the clerical help.

Mr. KELLEY. Last year you had a very difficult training situation; your men were all leaving you; I imagine you had to enlist a very large number of men and, of necessity, your training schools were full, but now that situation has changed and last year will be no criterion for you to go by. Now, if you have your Navy enlisted up to 135,000 men and have 115,000 all trained by the 1st of July—

Admiral WASHINGTON (interposing). But the matters which you speak of really do not enter into the expense of running the stations; the overhead, the coal, the oil fuel, the water, and the light would remain about constant.

Mr. KELLEY. What I mean is that with the amount of money spent at Hampton Roads last year you could keep the whole plant going because you kept it going last year; all of the overhead expenses were taken care of and all the bills at Hampton Roads were paid. You had 5,000 men down there last year, did you not?

Admiral WASHINGTON. We had more than that at the maximum; we had 12,000.

Mr. KELLEY. That alone would supply you with 15,000 or 16,000 men with four months' training.

Admiral WASHINGTON. Yes. But we pay for none of the coal, or anything of that kind, out of this appropriation of \$375,000.

Mr. KELLEY. It would not be any more next year. I am speaking of your needs for next year, even if you had the whole 143,000 men.

Admiral WASHINGTON. If Yards and Docks supplies the coal, heat, and light, as they have done in the past, the material increase due to the movement of the trade schools down there would not be great; it would be minor, but I think it would be something.

Mr. KELLEY. Let me ask you this question so as to get it clear: Assuming that you have 115,000 men on the 1st of July and that 43,000 drop out during the year and 60 per cent of those reenlist, how much of a training problem would that give you?

Admiral WASHINGTON. Well, our figuring of it was that we would recruit about 2,000 a month, to be on the safe side; as I stated yesterday, the assumption we were going on was ideal, and is not likely to be realized in practice.

Mr. KELLEY. I do not follow you; 2,000 a month would be 24,000 a year.

Admiral WASHINGTON. But that is an estimate, just as the other is, and we have nothing reliable to bank on to show that 60 per cent of those men are coming back within the next 18 months.

Mr. KELLEY. Well, I started with that, and we have to start somewhere. I think you have your training school ideas altogether on the wrong basis. If you had 24,000 men in the training schools it would mean you could train 72,000 men in a year, but you do not need 72,000 men to keep a Navy of even 143,000 men.

Admiral WASHINGTON. No. As I say, all of that was an estimate and we never reached that in practice. For a good part of the year we probably do not exceed 5,000 at Hampton Roads, but during November and December we ran that number up to over 12,000; we more than doubled it in the one month; from the middle of November until the middle of December we more than doubled what we had for the past nine months.

Mr. KELLEY. But assuming you have 115,000 and that 60 per cent of the 43,000 whose enlistments expire come back, which is the best information you have,—it may not be right but it is the best you have—that would mean that 40 per cent of the 43,000 would have to be replaced.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And 40 per cent would be about 17,000 men. Well now, 6,000 in all your schools would pretty nearly do that; that would make 18,000 men, you see, 6,000 graduating every four months, so that there is no need of talking about keeping all your training facilities in operation.

Admiral WASHINGTON. It is not necessary.

NAVAL TRAINING STATION, GREAT LAKES.

Mr. KELLEY. The next is the naval training station at the Great Lakes. The amount appropriated for the current year was \$575,000 and you are asking for next year \$750,000. Before we go into that with you I think I will ask Admiral Parks something about his Santa Claus operations for this station. They are asking in this item for \$750,000; do you plan to give them anything additional or do you estimate for anything additional during the next year?

ALLOTMENTS OF OTHER APPROPRIATIONS.

Admiral PARKS. All of the motor transportation; yes.

Mr. KELLEY. I have here two sheets which you sent up to me, one headed "Detailed statement of estimates, maintenance, Bureau of Yards and Docks," and under the head of Great Lakes you have

grounds, \$80,000; buildings, \$60,000; furniture, \$10,000; power plant, \$50,000; water front, \$5,000; floating equipment, \$2,000; station equipment, \$25,000; machines and tools, \$15,000; schools, \$2,500; naval dispensary, \$7,500; commissary stores, \$5,000; miscellaneous, \$25,000; classified employees, \$35,000; holidays, \$3,000; and transportation, \$150,000, a total under maintenance of \$475,000, to be paid out of your lump-sum appropriation if it is granted.

Admiral PARKS. Those are the estimates submitted for the station, and you requested that we send all the information to you that we had received from the station.

Mr. KELLEY. They are asking from you for maintenance, \$475,000. Now, under the heading, detailed statement of estimates, repairs and preservation, I find for the Great Lakes Station, grounds, \$25,000; buildings, \$40,000; power plant, \$25,000; water front, \$2,500; floating equipment, \$2,500; station equipment, \$5,000; schools, \$2,000; naval dispensary, \$1,000; commissary stores, \$2,000; miscellaneous, \$25,000; transportation, \$30,000, making a total of \$160,000 more, so that they are asking from you for repairs and maintenance a total of \$635,000, and in this paragraph they ask for \$750,000, making the grand total that they want at Chicago \$1,385,000 for maintenance and repairs.

Admiral PARKS. During the war period we had at the Great Lakes a permanent station and a temporary training camp, and the expenditures on account of buildings, roads, and things of that kind, for the temporary training camp, were available out of "Maintenance, Yards and Docks." The appropriation for last year provided that where the appropriations for training stations were insufficient, "Maintenance, Yards and Docks," was available.

Mr. KELLEY. It was year before last, was it not?

Admiral PARKS. Yes; that is, we were running on it last year.

Mr. KELLEY. In 1920?

Admiral PARKS. Yes, sir. That was not repeated for 1921, but the estimates have come in just the same as though it had been repeated. We made expenditures in 1920 under that authority without much question.

Mr. KELLEY. We put that in because it was quite difficult to say how these schools would shape up immediately following the war; it was almost impossible to tell because we had a great many boys still there who would not be there permanently, and so, as you say, we put in a general provision providing that if they were short and you had the money to spare, they could come to you, but we did not repeat that last year.

Admiral PARKS. I do not recall that you said if I had the money to spare.

Mr. KELLEY. It was optional with you whether you made the expenditures or not.

Admiral PARKS. I made some expenditures that I really did not have any too much money in hand for under that authority, but I did not meet anywhere near the requests that were made for expenditure under that authorization. The amount I did expend at Great Lakes was \$264,833.84.

Mr. KELLEY. That was last year?

Admiral PARKS. That was last year, and this year the only authorization for naval training station activities, as I understand it, is

for the motor transportation, but there were other expenditures at Great Lakes, because that is the district headquarters as well as the training station, and all of the radio work around the Great Lakes compass stations, etc., is being handled from the public works office at the Great Lakes.

Mr. KELLEY. How many employees do you have there?

Admiral PARKS. I have not that number in mind, nor the data here, but it looks like, as I recall—

Mr. KELLEY. That will come up when we reach your items, particularly that naval district matter?

Admiral PARKS. Yes.

Mr. KELLEY. So far as it affects you.

Admiral PARKS. I have not brought up the distribution of employees of the districts.

Mr. KELLEY. No; that will come later.

Admiral PARKS. The total number I gave you was the total number at the station, but not the division among the departments and bureaus.

Mr. KELLEY. That will come through when your appropriation for Yards and Docks is under consideration, if there is anything in it for any of these schools.

Admiral PARKS. Mr. Rowser can get that information from Mr. Smith right away, the distribution of the classified employees.

Mr. KELLEY. It might be helpful at this point if he would get it.

Admiral PARKS. So that there will be some expenditures charged at Great Lakes for the district work that will not be for the training stations, and there is one rather large project there—a harbor project that requires considerable public works expenditure, which is up to the present time suspending it, but when we get it under construction—

Mr. KELLEY. Is there a special appropriation for that?

Admiral PARKS. A special appropriation, yes. I have not obtained a bid within the appropriation, so I have not started work yet. I want to wait until the spring, hoping that prices will be more attractive.

Mr. KELLEY. How much have you spent there so far this year?

Admiral PARKS. \$54,946.37.

Mr. KELLEY. How much are you planning to spend during the balance of the year?

Admiral PARKS. It looks to me very much as though it would be about the same as up to the present time. We are putting a lot of radio compass stations around the Lakes, and we have nothing in sight now, I think, to provide as much work for the balance of the year as we have done up to the present time. That is principally district work that is being done now from that station.

Mr. KELLEY. Is this \$54,000 you have spent in connection with the training school or with the other activities?

Admiral PARKS. Mostly on account of the other activities.

Mr. KELLEY. So that, generally speaking, you are not expending any money on behalf of the training school at Chicago this year?

Admiral PARKS. Some on account of the part west of the track that we are considering the abandonment of.

Mr. KELLEY. So it is not your plan, Admiral, to give anything for the training school for this current year at Chicago?

Admiral PARKS. It is not intended to do that.

Mr. KELLEY. So that their funds for this current year there will be those appropriated under the special appropriation for the Great Lakes Training School, so far as you are concerned? Of course they got something for aviation?

Admiral PARKS. Except what we may do on that abandoned work on the west side of the track.

Mr. KELLEY. How much does that amount to?

Admiral PARKS. That is entirely indefinite. We have transferred a lot of sashes and doors and things of that kind from buildings on the west side of the track to fit up the radio school. Some things of that kind we think show up and will be desirable.

Mr. KELLEY. Will it be a small sum, or large?

Admiral PARKS. Small.

Mr. KELLEY. Small and indefinite in amount?

Admiral PARKS. Yes.

Mr. KELLEY. Why not from this point on, Admiral, follow the decisions of the Comptroller of the Treasury to the effect that where a special appropriation has been made for the maintenance of a station, that that is all that they have?

Admiral PARKS. I can not quite do that at Hampton Roads, because the matter comes under another rule of expenditures for heat, light, and water at navy yards and stations. Maintenance is the appropriation that provides those things at navy yards and stations, and at certain yards they are called industrial, maintenance, yards and docks, does not cover all of those items in accordance with accounting instructions that were approved by Congress. Certain parts of those expenditures could be taken up under general expenses, but at the other stations that are not industrial, maintenance, yards and docks, is ruled by the department to be the only appropriation available, and Hampton Roads, which is a base, includes the training station, together with the aviation station, hospital, receiving ships, supply base, and district.

Mr. KELLEY. You follow the ruling of the Solicitor of the Navy Department rather than the Comptroller of the Treasury?

Admiral PARKS. On Hampton Roads.

Mr. KELLEY. Would it not be safer for you, Admiral, to follow the ruling of the Treasury Department?

Admiral PARKS. Well, the interpretation of the Solicitor of the Navy Department of the comptroller's decision is the one I have to take. I can not set up my interpretation of it against the solicitor. I have had this matter up—

Mr. KELLEY. Where you have to account for your funds to the Treasury Department you might get into serious complications sometime over a question of accounting.

Admiral PARKS. I would not be at all surprised. I have taken this matter up with a good deal of care—

Mr. KELLEY. I should think you would take the safer course—

Admiral PARKS. I can not very well refuse to follow the interpretation of the law officer of the department.

Mr. KELLEY. When it comes to a question of liability for the expenditure of Government funds, I am inclined to think that the protection would be much greater. Certainly something will have to be done sooner or later to bring about a little closer adherence to the law

with reference to creating deficiencies and with reference to expenditures of funds that are not authorized, and it may be necessary to include some penalty for knowingly violating the law. You will understand that I am not speaking of your department particularly.

Admiral PARKS. I think that penalty is already provided by law.

Mr. KELLEY. That being the case, it seems as though you had better be controlled by the Treasury Department on a matter of funds.

Admiral PARKS. I do not think that the bureau chiefs are properly authorized to interpret the law, except through the solicitor.

Mr. KELLEY. That might not protect the bureau chief, after all, if he spent money unlawfully.

Admiral PARKS. It might not protect him, but if the bureau chief said he would not pay any attention to the solicitor he would be in a very bad position in the department, of course.

Mr. KELLEY. I would not say that, because there are a great many legal interpretations that do not affect the direct expenditure of funds, but when you run against a positive ruling of the comptroller, and may be in a position where you would have to gather back those funds, or make them good yourself, or pay a penalty for the violation, it seems as though the proper course for a bureau chief to follow would be to follow the Treasury Department.

Admiral PARKS. This thing is based on that rule I have mentioned, the accounting instructions approved by Congress, section 132, I think it is.

Mr. KELLEY. Here is the rule laid down by the Treasury Department. You probably know it as well as I. It is found in the Digest of Decisions of the Comptroller of the Treasury, on page 151, for the years 1894 to 1920:

An appropriation of a specific sum for a particular object or particular items must be construed to be a limitation of the amount to be expended therefor, and it impliedly prohibits the use of an additional sum for such object. Where an appropriation is made for a specific object it should be made to bear as near as can be under the law all expenses incident to that object, without encroaching upon general and other specific appropriations.

So if you have in your estimates, Admiral, for this current year, any items for any institution for which a special appropriation is made for maintenance and repair, I wish you would be particular to point that out to us when your matters are up for consideration.

Admiral PARKS. It is nearly all on that one station—on the operating base. I have not been satisfied with it myself, and have gone into it with the people concerned.

Mr. KELLEY. Of course, during the war we did a lot of things that everybody is willing to overlook, in the matter of stretching authority, which had to be done, but the very fact it was done during the war might cause the rule to be enforced more rigidly now in order to get back to the normal condition again, so I think it is only proper to caution the bureau chiefs about incurring deficiencies and about expending money that is not authorized.

Admiral PARKS. I do a good deal of talking on that subject.

Mr. KELLEY. I have not any doubt about it; but, of course, it is your responsibility when the money goes out.

Mr. AYRES. Do the bureau chiefs depend upon the solicitor of the Navy to give them a decision on rulings of the Comptroller of the Treasury?

Admiral PARKS. For all legal opinions.

Mr. AYRES. Where you are in doubt as to the ruling, you depend upon the solicitor to interpret that for you, and you follow his interpretation?

Admiral PARKS. We refer the matter to the Secretary with the request that the opinion of the solicitor be secured.

ASSIGNMENT OF BUILDINGS.

Mr. KELLEY. Are you familiar with the layout of the plant at the Great Lakes?

Admiral PARKS. I am.

Mr. KELLEY. As to where the various trade schools are operated?

Admiral PARKS. I am.

Mr. KELLEY. And their relation to each other?

Admiral PARKS. Yes.

Mr. KELLEY. I wish you would make a statement as to that.

Admiral PARKS. I can not give you the names of the camps. I have never more than just listened to the names as they were applied, but the station has been built in many units, and a certain unit will be called Camp Dewey, and another one Camp Farragut, etc. The camp on the easterly side of the reservation, and northerly from the permanent training station building, is the one in which the radio station is located.

Mr. KELLEY. That takes the entire unit, does it, for radio?

Admiral PARKS. Half of the drill hall has been made into the radio school. That is on the east side of the camp.

Mr. KELLEY. That is a camp by itself, with a heating plant and everything complete there?

Admiral PARKS. Yes.

Mr. KELLEY. Does the radio school occupy that whole unit?

Admiral PARKS. It occupies half of the drill hall for the radio school, and so much of the adjacent barracks buildings as are necessary for the accommodation of the personnel.

Mr. KELLEY. Is it a considerable portion?

Admiral PARKS. I should think it must be a third of it.

Admiral WASHINGTON. About 2,000 is what we have been running there.

Admiral PARKS. A little more than a third of it, perhaps a half of it, and then immediately west of that is the group that was made up for aviation, and the drill hall of that group has been fitted up for the machinists' mates, and I think the whole of that is used by the machinists' mates.

Mr. KELLEY. How about the unit? Is it all used for aviation?

Admiral WASHINGTON. It is practically all used; yes, sir.

Admiral PARKS. Practically the whole of that is used for the aviation personnel now, except a part of it that is a detention unit at the present time; at the northerly part of it.

Mr. KELLEY. That has a separate heating plant?

Admiral PARKS. A separate heating plant.

Mr. KELLEY. So that could be run without any relation to the balance of the plant at all?

Admiral PARKS. Yes. I think the running of the two heating plants would take care of the machinists' mates and aviation and the radio school, and the barracks in between would take care of the personnel and the resident men.

Mr. KELLEY. That is two units now?

Admiral PARKS. Two units. I think those would be the only two units of the extension that would be necessary, and the original school had a capacity of about 3,000, so the apprentices could be taken care of in that part of it.

Mr. KELLEY. So your idea is that the original school and the two units would take care of any needs there in the way of training, either for aviation—

Admiral PARKS. Or machinists' mates or radio.

Mr. KELLEY. Can you give us something of an idea of the cost of maintenance, if all the balance of the plant were closed down—all the other units?

Admiral WASHINGTON. I have that here.

Mr. KELLEY. You have that worked out?

Admiral WASHINGTON. I have it here from the commandant of the training station. It was just received to-day. He says that he has remaining \$287,320.78.

Mr. KELLEY. Balance unexpended for this year?

Admiral WASHINGTON. Unexpended. He states:

The commandant reluctantly admits that with the present population—that is, the men he has on the station now, which totals about 9,500—the station can not be maintained without creating a deficiency. It is believed that the maximum the station can do during the balance of the fiscal year with the available funds is to maintain the two trade schools, plus 1,000 recruits under recruit training. In order to accomplish this, it will be necessary to discharge practically all artisans and laborers, including the power-plant operators, the fire-fighting force, and a considerable portion of the clerical force. The power plant must be operated, and the fire-fighting force must be maintained, but it will be necessary to employ enlisted personnel for these activities. Telegraphic advices are requested, since the reduction in population and the discharge of civilian employees should be effected immediately in order to avoid a more critical condition.

That letter was received to-day, sir.

Mr. KELLEY. Does he say how much his deficiency will be?

Admiral WASHINGTON. No, sir. We have told him he can not run a deficiency, but he maintains that unless we ease up on the situation to within the limitations which he prescribes, it will be necessary to make a deficiency.

Mr. KELLEY. He has half of his appropriation left?

Admiral WASHINGTON. But, Mr. Kelley, the recommendation of the commandant and the bureau for maintaining that station all during the year was \$1,800,000, which the Secretary cut to \$500,000 and which the House allowed, but which the Senate raised \$75,000, so the Congress finally allowed him less than one-third of what he estimated.

Mr. KELLEY. But the year is half gone and he has half his money left.

Admiral WASHINGTON. No, sir; he has not quite half.

Mr. KELLEY. Very nearly \$287,000. Twice that would be more than he got.

Admiral WASHINGTON. He had a further \$100,000 allowed him to help, because that is also a district headquarters. There are other things thrown into it which, as you know, the training station proper should not bear.

Mr. KELLEY. I do not see, Admiral, how it would be necessary, even with that \$100,000, to reduce the number of men from 9,500 down to what he says there, 1,000.

Admiral WASHINGTON. The estimate which he made at that time did not anticipate that we were going to have so many men under training, but when we demobilized and lost so many from the regular service we had to fill up the Navy through the trade schools and training stations, and consequently had to have more people in training. Therefore, we put more at the Great Lakes and at all of the stations, in fact, than they had had at any time except during the war, and their appropriations were not sufficient to meet the unexpected increase due to large numbers of men, as I stated yesterday in connection with the San Francisco station. At San Francisco the commandant asked for \$310,000 and Congress allowed him only \$125,000, with the knowledge of the Committee on Naval Affairs that it was impossible to run the station on that amount at that time. The Naval Affairs Committee understood that last year, sir.

These other appropriations were cut in the same way, and if you remember, the chairman of the committee told me, I think in your presence, that if I came back to him in December and stated these deficiencies he would give us more money in December or at this session. All of these training stations appropriations were cut regardless absolutely of what the recommendations were. For instance, the Secretary submitted an estimate of \$500,000, which was less than 30 per cent of the estimate submitted by the commandant.

Mr. KELLEY. And we gave them \$575,000.

Admiral WASHINGTON. And the Senate raised it to \$600,000, and then in conference it went down to \$575,000. In the case of California, the one we were discussing yesterday, the estimate was \$310,000. The Secretary, however, only recommended \$200,000, and the House cut it to \$125,000. It was known at the time that \$125,000 was utterly inadequate to run it on.

TRADE-SCHOOL REQUIREMENTS.

Mr. KELLEY. Now, Admiral, give us your trade-school requirements at Chicago for the present time.

Admiral WASHINGTON. In aviation we had on December 18, 1,287; machinists' mates, 2,007; radio, 1,260; Hospital Corps, 442; firemen 780; and then the apprentices were 1,948.

Mr. KELLEY. That makes 5,769 in the trade schools?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. How many apprentices?

Admiral WASHINGTON. The apprentices were 1,948, and then there were men of other ratings of various kinds, 683.

Mr. KELLEY. That makes 8,400.

Admiral WASHINGTON. The total is 8,407. Those were men in training. That does not include the instructors and others.

Mr. KELLEY. Where does he get this other thousand he talks about?

Admiral WASHINGTON. That 1,000 is possibly the total overhead of all kinds. Are you figuring on the same date? This is a varying number from day to day.

Mr. KELLEY. There are 9,400 there now?

Admiral WASHINGTON. That is what he said it was roughly, including overhead. I figure about 1,100 for the overhead.

Mr. KELLEY. Overhead employs about a thousand?

Admiral WASHINGTON. Yes, sir; I should think that would include all kinds. It is also, you see, the district headquarters, and there are a number of men employed in connection with that work. There are a number around Chicago who are also borne on the rolls there.

Mr. KELLEY. About what would you think would be your requirements for that place during the next fiscal year?

Admiral WASHINGTON. With a reduced personnel of 100,000 men, as seems to be anticipated, we would probably run those schools at about three-quarters of that capacity, or less, until we got filled up.

CURRENT APPROPRIATION.

Mr. KELLEY. Now, going back to the appropriation, half of the year is gone?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And he has more than half his money. Is it because the winter months are ahead of them and the expense for coal will be higher?

Admiral WASHINGTON. The winter is half gone. The commandant says he is paying a dollar more per ton for his coal than he did during the previous year. He states:

All during the past six months of the current fiscal year the greatest possible economy has been practiced. However, the population of the station has steadily increased, necessitating an increased expenditure for coal, light, and water, and further heavy demands have been made upon our limited maintenance appropriation by the increase in the cost of coal, about \$1 more per ton than the contract for 1920. The increased cost of the removal of garbage and transfer of the radio school to the east side of the training station. As a result we have already overexpended the sum allocated to the first six months of the year, and have remaining for the last six months only \$287,320.78.

Capt. ENOCHS. They got \$100,000 from "Yards and Docks."

Admiral WASHINGTON. We were allotted \$100,000 for maintenance for the fiscal year 1921 from "Yards and Docks."

Mr. KELLEY. That was for naval district activities; it was not for the school?

Admiral WASHINGTON. It was for the station.

Mr. KELLEY. Because the Admiral says that he would not give them any money this year?

Admiral WASHINGTON. That was for the station. The schools are run by the bureau. They have no expense incident to the actual operation of the school.

Mr. KELLEY. That \$100,000 he got was from the naval district?

Admiral WASHINGTON. I do not know.

Mr. KELLEY. Admiral Parks says he would not give them anything this year at all for the school.

Admiral WASHINGTON. Nothing for the school?

Admiral PARKS. Except the transportation. That is provided for in the bill.

Admiral WASHINGTON. Our appropriation pays for the school. We get some little help and also discarded material from the bureaus.

Mr. KELLEY. But he does not seem to be very far behind in his money. He has got \$287,320 left, which would mean an appropriation of \$574,000 for the year. That is just what he had. He has just half of his money left, and half the time left.

Admiral WASHINGTON. He will run through the rest of the year without a deficiency in the same way that they will at San Francisco, Calif., but it is going to be at the expense of the buildings. There is nothing being done to them.

Mr. KELLEY. You do not want anything done to them, do you?

Admiral WASHINGTON. Just to keep them habitable, that is all.

Mr. KELLEY. I think that ought to be the policy on all these temporary buildings, just to keep them habitable. There is no use spending money on them.

Admiral WASHINGTON. At the Great Lakes we are not dealing with discarded buildings; we are dealing with buildings which it is the intention to keep.

Mr. KELLEY. I would think, if you are going to spread out over there—

Admiral WASHINGTON. We have moved east of the railroad. Everything west of the railroad is going absolutely to pot.

Mr. KELLEY. You would probably want a little different type of building for your permanent plant, different from anything you have got there, except your original station.

Admiral WASHINGTON. We will get that so far in the future that we are going to keep on with the plant we now have.

Mr. KELLEY. If you got back at Chicago within the original buildings, and one unit outside, or two—

Admiral WASHINGTON. Those original buildings will not really accommodate one of these schools.

Mr. KELLEY. I understand, but I say one unit outside, or possibly two.

Admiral WASHINGTON. Two; yes. Those are the ones east of the railroad that we are holding on to. Those west of the railroad are all going to pieces. They have been salvaged as far as practicable, and are being used, parts of them, for repairs and so on, to other buildings east of the railroad, so far as they can be, with the enlisted men.

Mr. KELLEY. This is coming out about right. If he has \$287,000, he is not coming out badly at all.

Admiral WASHINGTON. He is coming out without a deficiency, but the buildings will undoubtedly show the lack of repairs at the end of the year.

Mr. KELLEY. Within a year, you know, we will formulate some policy that will start some machinery going to reduce the number of buildings that will fall into decay.

Admiral WASHINGTON. We got out of Coasters Harbor Island building at Newport because the doctors stated it was insanitary to remain, and unwise to keep the boys under those insanitary conditions. The Assistant Secretary went up to Newport and took a look at the buildings and said it was scandalous to keep the men there, and that was the reason they were moved over to Coddington Point.

Mr. KELLEY. What doctor said that the buildings were unsanitary?

Admiral WASHINGTON. The doctors of the station. In some of those buildings you would almost fall through the floor, they were so far gone. Some of the buildings that the men were living in at Camp Saddler were disgraceful. The roofs were also leaking.

Mr. KELLEY. That would not be very general. You probably had one building of that kind.

Admiral WASHINGTON. There were buildings where possibly 2,000 men were accommodated. You have no idea, without seeing them, of the condition of those wooden buildings. No repairs were put on them during the progress of the war, or practically none.

Mr. AYRES. Were those buildings put up during the war?

Admiral WASHINGTON. Yes, sir; some, but not all. Some were of brick built a number of years since.

Mr. KELLEY. The reports from certain Members of Congress who went up there are contrary to what your reports indicate.

Admiral WASHINGTON. They are speaking of Coddington Point.

Mr. KELLEY. No; they are speaking of the old station. You have not been up there yourself, have you?

Admiral WASHINGTON. Yes, sir. I have seen them. I saw them a year ago. Then they were in a bad condition.

Mr. KELLEY. Why did you not have them fixed?

Admiral WASHINGTON. Because you gave us no money.

Mr. KELLEY. We gave you five or six times as much as you had before the war for these same buildings.

Admiral WASHINGTON. I can not account for it, and I do not attempt to explain the reasons for the relatively high prices of labor and material now, in comparison to what they were before the war. I do not know why it is, but it is so. ?

Mr. KELLEY. If we have closed that one down we will have to take a survey of it and decide what to do.

Capt. ENOCHS. When we first went to Coddington Point the sickness materially decreased, and it almost stopped pneumonia, and anything like that, and our health reports from that station are simply not comparable with the ones we got when they were living over in the old camp, Camp Saddler, where the plumbing was bad and rotten. That is a fact. If that had gotten out in the papers I do not think we would have been justified. The reason we did not move over to Coddington Point before was because we thought we would save the expense.

Admiral WASHINGTON. We did not move to Coddington Point until the matter was one of absolute necessity, when we had to go in order to avoid scandal, due to the bad condition of the buildings. It was not a question of being unable to accommodate the men in the station at Coasters Harbor Island, but it was largely to avoid scandal, when we went over to Coddington Point, and since then we have practically abandoned the buildings on Coasters Harbor Island, so far as the men living in them is concerned.

Mr. KELLEY. You have got two units there, and one of them only half full. Why can you not use the other half?

Admiral PARKS. Those buildings have been fitted up very satisfactorily for the petty officers now.

Mr. KELLEY. How many petty officers are there?

Admiral PARKS. A great many of them.

Mr. KELLEY. They are in the service at the station?

Admiral PARKS. Yes, sir.

Admiral WASHINGTON. There are probably about 90 or more families. They are the teachers and instructors for the men, and the conditions were such outside the station where it was possible to find housing quarters that those men were paying possibly as much as \$60 or \$80 a month for two or three living rooms, and those rooms could not always be obtained. Therefore the unit in which they are now living should be kept for them. We will need those men there. We can not do without them.

Admiral PARKS. That is just one additional power plant run to half capacity perhaps.

Mr. KELLEY. How much would it reduce the expense if you had three-quarters of these men there?

Admiral WASHINGTON. Three-quarters of the men?

Mr. KELLEY. You said that next year you thought you would have about three-quarters as many as you have now.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Now, for maintenance, repairs, preservation, coal, and everything—

Admiral PARKS. I do not think that would make a very large reduction, probably not more than \$15,000 or \$20,000. All the general expense would be the same.

Mr. KELLEY. How much is included in this \$575,000 that they are expending this year for the maintenance of the whole plant, the portion that is not in use at all, just the cold-storage portion?

Admiral PARKS. I do not know what the figures are, but from the inspection I made in the fall I should say that very little is being expended.

Mr. KELLEY. When were you there last?

Admiral PARKS. The first week in December.

Mr. KELLEY. Just a few weeks ago?

Admiral PARKS. Yes; and I was out there on the 1st of November.

Mr. KELLEY. What is the condition of the part not in use?

Admiral PARKS. It is considerably depreciated in the way of glass and things of that kind, where no effort has been made to transfer any of the material to the other side, but whole windows have been taken out of certain buildings and transferred to the other side. All the glass breakage has been taken care of by the transfer of glass from buildings on the west side of the track to buildings on the east side, where needed.

SIZE AND CAPACITY.

Mr. KELLEY. How many units are there altogether?

Admiral PARKS. I think there are five units on the other side.

Mr. KELLEY. Altogether in the whole plant, outside of the original school?

Admiral PARKS. There is enough to make a 47,000 capacity altogether, and 3,000 was the capacity of the original school.

Mr. KELLEY. I had the impression that there were 13 units, 13 heating plants. That would indicate the number of units, would it not, the number of heating plants?

Admiral PARKS. I think there would be more than that.

Mr. KELLEY. How many more?

Admiral PARKS. I thought there were nearly 30.

Mr. KELLEY. We are going to use now but two, in addition to the original buildings?

Admiral PARKS. Three, including the one on account of the petty officers.

Mr. KELLEY. How much space does this plant cover now?

Admiral PARKS. I have not the area in mind.

Admiral WASHINGTON. I can give it to you.

Mr. KELLEY. How many heating plants are they operating now?

Admiral WASHINGTON. I do not know. Perhaps Admiral Parks knows.

Admiral PARKS. I do not know how many are being operated now. I did not notice that.

Mr. KELLEY. Who has the details of what they are doing over there, anybody here in Washington?

Admiral WASHINGTON. Admiral Parks would know all pertaining to the material part of it.

Mr. KELLEY. Do you think there would be any advantage in having the commandant of this place come to Washington?

Admiral WASHINGTON. I think it would be well to have the commanders of all these stations present at these hearings, particularly if we are going to make cuts in their estimates, because they are the ones who would know where some economies might be best practiced.

Admiral PARKS. I have that acreage at the Great Lakes now, if you want it.

Mr. KELLEY. How much is it?

Admiral PARKS. Eleven hundred and thirty-two acres altogether, of which 44½ acres are on the east side of the tracks.

Mr. KELLEY. Is that on the side where the original school is?

Admiral PARKS. Yes.

Mr. KELLEY. Is it proposed to keep that much ground?

Mr. AYRES. How much is on the west side?

Admiral PARKS. That is on the east side of the tracks that we propose to keep. There are also 51.9 acres on that side for the hospital.

Mr. AYRES. How much is on the west side?

Mr. FRENCH. Nearly 700 acres.

Mr. KELLEY. What is the necessity for 51 acres for a hospital?

Admiral PARKS. It seems to be all occupied.

Mr. KELLEY. Spread out in cottages?

Admiral WASHINGTON. Spread out in buildings, and then there are ravines there also. There is a good deal of it that is not flat land, a good deal of it that is not usable, a great many ravines.

Mr. KELLEY. Can you get a statement from the commandant at Chicago to put in the record separating the items making up his total that are to be applied to the original plant, and also the added units?

Admiral WASHINGTON. The three units we are speaking of?

Mr. KELLEY. Yes.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. I mean this appropriation he is spending now, the current appropriation, how much of that current appropriation—

Admiral WASHINGTON. 1921?

Mr. KELLEY. Yes; how much of the current appropriation for maintenance of the naval training station is applied to the original plant, and how much to the added units that are now being maintained?

Admiral WASHINGTON. Yes.

Admiral PARKS. It would be a little difficult for him to do that on water and sewage and things of that kind. They are running a combined system.

Mr. KELLEY. And also how many separate heating plants.

Capt. ENOCHS. You want that on the regular training station appropriation?

Mr. KELLEY. Yes; that is all they have there, the \$575,000, of which they have remaining \$287,320. I want to know how the whole current appropriation is apportioned as between the original plant and the added units and also how many heating units altogether are kept up.

Admiral WASHINGTON. At the present time?

Mr. KELLEY. At the present time, and you say the sewage and water are all in one system?

Admiral PARKS. That is one in the whole area. They extended the original water system over the temporaries, and the same way with the sewage disposal.

Mr. KELLEY. And if any of this money is for the naval district expenses, have that shown also.

Admiral WASHINGTON. Probably it might be better to get the commandant here. He can be here day after to-morrow, and you can get this information from him.

Mr. KELLEY. Of course, it is quite an expense to bring him from Chicago.

Admiral WASHINGTON. About \$125.

Mr. KELLEY. Yes.

Admiral WASHINGTON. That cost comes out of another appropriation.

Mr. KELLEY. I doubt whether he can help us.

Admiral WASHINGTON. I do not think he can help you much because it would be difficult to get those things separate.

Mr. KELLEY. What I mean is that I doubt whether he can help us by coming.

Admiral WASHINGTON. We will not call him, then. Do you think it is possible, Admiral, to separate those things?

Admiral PARKS. No; not clearly.

Capt. ENOCHS. We would have to gamble, because we have not operated under the new conditions. We would have to gamble any way we did it.

Mr. KELLEY. As to the part that has been expended, I should think he could apportion that very handily.

Admiral WASHINGTON. If you are running a plant and have one heating plant, for instance, and furnishing the heat and light and water, etc., and then you find you are only furnishing half of it—

Mr. KELLEY. That is not the case. Each one of these units has a separate heating plant.

Capt. ENOCHS. But he has kept no separate account for each one of them.

Mr. KELLEY. His firemen can tell how much coal has been used in each one of the plants. The firemen know the daily consumption of coal. What do we pay for coal there, do you know?

Admiral PARKS. I do not know what it is now. I had a figure from Hampton Roads the other day. It is the only one I have had this year.

Mr. KELLEY. Have you any other information about this Chicago station that would be of help to us in arriving at the amount to be expended on it this coming year?

ANALYSIS OF ESTIMATE.

Admiral WASHINGTON. I have the complete estimate of the commandant. His estimate for 1922 amounts to \$995,500.

Mr. KELLEY. How does he divide that?

Admiral WASHINGTON. He divides it into grounds, \$118,000; buildings, \$172,500; street car fare, \$200; piers, \$2,000; livestock and attendance of same, \$7,000; wagons, carts, implements, tools, and vehicles, \$119,000; fire apparatus, extinguishers, and fire protection, \$54,000; gymnastic implements, \$300; models and other articles needed for the instruction of apprentice seamen, \$700; printing outfit and material, \$4,600; heating and lighting and repairs to power plant equipment, distributing mains, tunnels, and conduits, \$401,000; stationery, books, and periodicals, \$15,000; washing, \$400; packing boxes and material, \$600; lecturers and suitable entertainment for apprentice seamen, \$200; garbage disposal, \$20,000; clerical, drafting, inspection and messenger service, \$60,000; miscellaneous, \$20,000; a total of \$995,500.

Mr. KELLEY. Does he state how many units are contemplated to be kept in operation?

Admiral WASHINGTON. He does not state, but the contemplation is to keep the plant east of the railroad in operation; some buildings may not be occupied but they will all be available.

Mr. KELLEY. Do you know how many units there are east of the railroad?

Admiral PARKS. No; I do not know that offhand. However, I think there is enough on that side for 20,000 men.

Mr. KELLEY. About double what they have there now and four times what they will have next year.

Admiral WASHINGTON. I think you have a wrong idea of that. The training schools take up a large amount of that space, so that the actual capacity of that plant—

Mr. KELLEY (interposing). You are probably not using any more space than ought to be used for the number of students that are there.

Admiral WASHINGTON. You see, when we moved things east of the railroad we took some of those barrack buildings, drill halls, etc., for the purposes of the school and they, therefore, are no longer available for quartering more men; consequently, the station east of the railroad has not as much capacity as it had before we put the schools there.

Mr. KELLEY. But it had a capacity of 47,000.

Admiral PARKS. Of which 27,000 was west of the tracks and 20,000 east of the tracks.

Admiral WASHINGTON. There have been a number of buildings taken up for other purposes.

Mr. KELLEY. What other purposes?

Admiral WASHINGTON. For the schools.

Mr. KELLEY. That is what the buildings are for.

Admiral WASHINGTON. I know, but if you take them for schools they are no longer available for quartering the men.

Mr. KELLEY. That is, if they are used for shops, and purposes of that kind, they are no longer available for housing the men?

Admiral WASHINGTON. That is right.

Mr. KELLEY. But still there would be accommodations for how many people?

Admiral PARKS. I do not quite have the same idea that Admiral Washington has on that. We have taken the drill halls for schools—

Mr. KELLEY (interposing). And not the dormitories.

Admiral PARKS. And I do not recollect that we have reduced the dormitory capacity at all, except one building that is used for a local school.

Admiral WASHINGTON. The petty officers are quartered there also.

Admiral PARKS. They are in the detention unit, over near the hospital.

Mr. KELLEY. If we have three-fourths of the 5,776, which is your present training-school attendance, that would be about 4,500, and allowing for your overhead and your petty officers' quarters, I should think 6,000 would be an outside figure for next year, and if there is a capacity of 20,000 certainly quite a bit of this plant could be shut down other than is provided for in the estimates.

Admiral PARKS. Quite probably.

Mr. KELLEY. Undoubtedly he has made the estimates on the basis of at least 10,000 to be kept there, or about what there are there now.

Admiral WASHINGTON. At the time he submitted this estimate the number did not approach 10,000 men. Now, the assumption would be that he would make his estimate on about what he had in September, and in September he probably had, say, 4,500 or 5,000 men.

Mr. KELLEY. Undoubtedly he has figured this: That all of the plant east of the railroad is to be kept in repair, kept up, and he has a maintenance charge and a repair charge in there for everything east of the railroad, which would make a very great difference. If we did not repair or maintain anything except the original school and the two units that are being used for trade-school purposes it would make a great difference.

Admiral WASHINGTON. And let the others go without having any maintenance work done on them at all for repairs. If that were done, then at the end of the year we would be in pretty bad shape in that particular station.

Mr. KELLEY. There is absolutely no necessity, that I can see, for maintaining those buildings beyond a capacity of 5,000 or 6,000 students.

Admiral WASHINGTON. If that is the intention—

Mr. KELLEY (interposing). I do not see how you would need more than 5,000 or 6,000 students in the future.

Admiral WASHINGTON. Probably we will not.

Mr. KELLEY. I do not see how you would need any more than that at Chicago, with your station at Hampton Roads and the new station on the Pacific and the plant at Newport. Of course, there are going to be expirations of enlistment which you will have to meet, but that is a matter you can almost calculate on to a man after you get a few months more of experience in reenlistments. So I do not see why you should keep these units at Chicago in repair beyond a capacity of 5,000 or 6,000 students. When you do that you have plenty of training capacity for the Navy, and you stop eating up money which really does not do you any good.

Admiral WASHINGTON. We will have sufficient capacity at those places if we are given money enough to keep them up, and it will cost something also to put East Camp in operation.

Mr. KELLEY. You probably will never need East Camp; you have sufficient capacity at Hampton Roads without East Camp. I have a feeling all the while that your training problem is not as great as you keep figuring it is going to be, even on the basis of your authorized strength, but that is a matter with which you are thoroughly familiar and can work out. If you maintain a capacity of 5,000 or 6,000 at Chicago, if you have a capacity at Hampton Roads of 5,000 or 6,000, and provide a new station on the Pacific for five or six thousand, you would have at least 15,000, and that would give you 40,000 or 50,000 recruits with four months' training.

Admiral WASHINGTON. A capacity of 5,000 men at Chicago will be ample to meet, as far as we see them now, the needs of the Navy at present, if the personnel is to be reduced.

Mr. KELLEY. You should figure about what it will cost to keep up that part of the station at Chicago east of the railroad, without doing anything more than just keeping it up. You will have to protect them against fire, because a fire might sweep the whole place, and there might be some minor repairs and maintenance charges.

Admiral PARKS. The chairman of the Committee on Naval Affairs made a visit to the station during the summer and was impressed with the advisability of improving some of the buildings that are used for school purposes by replacing the present roof covering with asbestos roof covering and plastering sides.

Mr. KELLEY. I would not see any objection to keeping in good repair the buildings that were being used, but there will be in addition to such buildings a large number of buildings east of the railroad which will not be used now or ever.

Admiral PARKS. I understood that after the investigation it was thought that about \$300,000 could be expended to advantage on the buildings that should be retained, and I think he expressed the idea that \$100,000 a year for the next three years might be expended advantageously.

Mr. KELLEY. The first thing is to determine what buildings the Bureau of Navigation could profitably use east of the railroad.

Admiral PARKS. All of the work they have done has been on those buildings used for the machinists' mates school, and I do not think anybody can call that wasteful.

Mr. KELLEY. There will be no trouble in getting Congress to appropriate the money necessary to repair the buildings that are used or likely to be used, but if you have buildings there which will accommodate 20,000 boys when you probably will never need accommodations for more than 5,000 or 6,000, there is no use in spending money to keep those buildings up, because they do require a lot of repairing. I can not see why they might not just as well be torn down and stop the expense of watching them, fire protection, and all that. That is what I have in mind about Chicago.

Admiral PARKS. Up to the present time I have not given much attention to removing the buildings that are east of the tracks, because those west of the tracks are attracting about all the attention that can be given, particularly on account of land conditions, and until Congress has taken care of that proposition it does not seem urgent to pay much attention to decreasing the amount on the east side. But that ought to come up very shortly afterwards.

Mr. KELLEY. But in the meantime we keep getting these estimates for the repair and preservation of them.

Admiral PARKS. From what I saw I do not think they are spending much on the buildings they are not occupying; it is principally on the temporary buildings that are used for school purposes; they even were not painting the partition work that they had put in the radio school building; a little paint would have cost something, but it would have made it look a little better, although it was just as effective for the purpose without the paint.

Admiral WASHINGTON. He has estimated repairs to the buildings that he wants to keep in use by regiments, but those are all east of the railroad.

Mr. KELLEY. Can you state exactly what units they are?

Admiral WASHINGTON. No, sir; but we can get it from the plans, because the commandant mentions them here as First, Second, and Third Regiments, etc.; so we can tell from the plans what they are.

Mr. KELLEY. If it is not too much of an effort could you go through the estimate for repairs and determine how much of the estimate is to be spent on buildings that are not used by these schools that you have estimated for next year?

Admiral WASHINGTON. I do not have that; I am speaking of the regiment quarters, etc., which he wishes.

Mr. KELLEY. That is a different matter.

Admiral WASHINGTON. It provides here for plastering on the exteriors and placing asbestos roofing on the wooden buildings east of the railroad tracks. That is the result of a visit of the chairman of the Committee on Naval Affairs in September last.

Mr. KELLEY. The chairman may not have had in mind your total training facilities.

Admiral WASHINGTON. His recommendation was to keep all buildings and ground east of the railroad tracks, and he wrote quite an extensive letter about that.

Mr. KELLEY. Mr. Butler?

Admiral WASHINGTON. Yes, sir; last September. This covers those items, asbestos roofing and plastering, and his letter is dated the 12th of September; it was subsequent to Mr. Butler's visit, which was the first week in September. Mr. Butler, after his visit of inspection, wrote the Secretary quite a lengthy letter, giving his

views on what should be done with those buildings east of the railroad, and recommended that everything west of the railroad should be entirely abandoned and salvaged as much as possible.

Mr. KELLEY. I presume the layout west of the tracks is so great that it seemed quite a reduction when he took those off and that he had not considered the necessity of cutting off some of the buildings on the east side.

Admiral WASHINGTON. Probably not.

CLASSIFIED EMPLOYEES.

Mr. KELLEY. Now, about this item for clerical, drafting, inspection and messenger service, for which you ask an increase from \$45,000 to \$60,000.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. What is the need of that?

Admiral WASHINGTON. One reason is that every time we take enlisted men from shore their work stops or falls off and they want civilian help. It is our effort to reduce the number of enlisted men on those shore duties and we are taking them away all the while. If a reduction is made at the Great Lakes Station, along the lines we have been speaking about, I should think that the last year's appropriation would be sufficient, without an increase.

Mr. KELLEY. Is not this one of the items that we did increase very largely last year?

Admiral WASHINGTON. No, sir; I do not think it has been increased for two or three years. I think this amount for the Great Lakes has been about \$45,000 for a long time.

Mr. KELLEY. It seems there was a \$6,000 limit last year.

Admiral WASHINGTON. At the Great Lakes?

Mr. KELLEY. Yes. This same question arose last year, and we increased it to \$45,000 from \$6,000.

Admiral WASHINGTON. I do not recall that.

Mr. KELLEY. Your judgment is that with the new conditions which will naturally follow a reduction in the personnel from 143,000 to 100,000 this will be sufficient?

Admiral WASHINGTON. I should think so; yes, sir.

NAVAL TRAINING STATION, HAMPTON ROADS, VA.

Mr. KELLEY. The next is the Naval Training Station at Hampton Roads, Va. The amount appropriated for the current year was \$375,000, and you are asking the same amount for this next year.

Admiral WASHINGTON. The commanding officer asked for \$378,600, but the amount recommended was only \$375,000.

Mr. KELLEY. Have you the items?

Admiral WASHINGTON. For the maintenance of the Naval Training Station, naval operating base, Hampton Roads, Va., fiscal year 1921-1922, labor, \$116,100.68; material for general care, \$168,700; material for repairs, \$60,000; material for improvements, \$9,800; school books, \$1,500, and all other incidental expenses, \$22,500, a total of \$378,600.68.

ENLISTED PERSONNEL—STRENGTH AND LOSSES.

Mr. KELLEY. The other day when we were figuring on the naval reenlistments and discharges we allowed about 2,000 a month to go out for reasons other than expiration of enlistments from now until next July. I think it was generally agreed that was about as near as we could get at it, and that brought the Navy on the 1st of July somewhere around 115,000 or 116,000, and you made it 117,000?

Admiral WASHINGTON. Yes.

Mr. KELLEY. From that point on during the year we were at a little loss to know how much of an allowance to make for losses occasioned by other reasons than expiration of enlistments. Have you thought enough about that since to give us some idea?

Admiral WASHINGTON. We figure that there would be about 6.6 per cent and about 19 per cent and a fraction, making about 27 per cent, due to other causes than expiration of enlistments; that is, 43,123, as I recollect the number of enlistments expiring. Then in addition to that there would be about this 27 per cent, which would bring it up to about 61,000, as I recall.

Mr. KELLEY. You mean 27 per cent of what?

Admiral WASHINGTON. Of the total enlisted force; not of the expiration of enlistments, but of the total force. In order to reduce the Navy, in view of Congress not possibly appropriating for the full strength, we are going to get rid of as many of the men prior to the 1st of July as we can, in order to start on the 1st of July with as nearly the number for which Congress actually appropriates as it is practicable to do, in order to run as evenly as possible throughout the year. That will entail more than this 6.6 per cent due to other causes.

Mr. KELLEY. After you get that your losses would not be very great for causes other than the expiration of enlistments?

Admiral WASHINGTON. They would naturally be less than they would ordinarily.

Mr. KELLEY. How much have you figured that to be?

Admiral WASHINGTON. Well, that is, roughly, 27 per cent, but then it would probably be less after we weeded out the less desirables and got down to a working basis of approximately 100,000, if that is the number you are going to appropriate for, so that there would probably be less than this 6.6 per cent.

Mr. KELLEY. After you had stopped recruiting for six months your desertions would not be very great, would they?

Admiral WASHINGTON. Less than now.

Mr. KELLEY. You do not anticipate that there would be anything like 1,000 a month after the 1st of July?

Admiral WASHINGTON. We do not have 1,000 a month. The reports indicate practically 1,000 a month, but there are many of those men who surrender or are apprehended later, and therefore it is not 1,000 desertions. It is 1,000 men "charged" with desertion, but of that 1,000 many of them have already and will come back.

Mr. KELLEY. So the net loss is not as great as that?

Admiral WASHINGTON. No, sir; I think it will approach nearer 18 to 20 a day, which would be about 600 per month.

Mr. KELLEY. And you would not have many, of course, during the year?

Admiral WASHINGTON. No; less, because under the weeded out conditions the personnel would naturally be some better.

Mr. KELLEY. Do you think you would lose, after the 1st of July, for causes other than the expiration of enlistments more than 500 a month?

Admiral WASHINGTON. That would be about 6 per cent of the 1,000.

Mr. KELLEY. Yes; you figure it would be 6.6 per cent, going back over your period of great activity in getting the men in, and I think it was generally thought that after you had gotten rid of everybody during the next six months—who did not promise well—that then the losses from desertions and from other causes would be very much less than the 6.6 per cent, which has been your experience for the last seven months.

Admiral WASHINGTON. I think that is so.

Commander PORTERFIELD. Six and six-tenths per cent represents the losses due to discharges prior to the expiration of enlistments.

Mr. KELLEY. You would not expect that to continue after the 1st of July, would you?

Admiral WASHINGTON. It would be less, naturally.

Mr. KELLEY. But you have figured it the same?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Why do you not figure it the way it should be figured?

Admiral WASHINGTON. Well, the reduction in that small percentage would not be material; it would possibly be one thousand or so men, because the total of it is only 6,600.

Mr. KELLEY. I would like to have it as near right as I can get it. I do not like to have you say that you are not going to have nearly as many go for certain reasons, and then turn around and figure that the same percentage will go.

Admiral WASHINGTON. But you must not lose sight of the fact that we are making the estimate under most adverse conditions; it is made up to cover only seven months after demobilization, whereas if it were for a longer period or for a more settled period it would be better; we might find it is only 3 per cent or we might find it is 10 per cent.

Mr. KELLEY. At the most feverish rate of enlistment, covering seven months, 6.6 per cent went out, because you got boys in that you should not have gotten in the first place.

Admiral WASHINGTON. No: you have a wrong idea; that was the time when we were getting very few enlistments; practically the big mass of them came in October and December.

Mr. KELLEY. During the last seven months what have been your average losses for reasons other than desertion and expiration of enlistments?

Admiral WASHINGTON. Six and six-tenths per cent.

Mr. KELLEY. Other than desertion and other than expiration of enlistments?

Admiral WASHINGTON. About 6.6 per cent.

Mr. KELLEY. Give me the figures for your losses by months, starting last July. How many did you lose in July, 1920, for reasons other than desertion and expiration of enlistments—how many men you had on that date and the number of men you lost during that month?

Admiral WASHINGTON. The total number of desertions was 917. You see, that is 30 a day. The honorably discharged men were 3,143 in July; ordinary discharges, 135.

Mr. KELLEY. I mean those who were not discharged by reason of expiration of enlistments.

Admiral WASHINGTON. Well, this would include the expiration of enlistments because they are honorably discharged, and that means a man has completed his enlistment.

Mr. KELLEY. Have you not a record of those who have been discharged for reasons other than the expiration of enlistments and other than desertion?

Admiral WASHINGTON. I can sum it up.

Mr. KELLEY. In order to get this percentage, somebody in your department ought to have the thing worked out by months, otherwise you can not get it.

Admiral WASHINGTON. We have the total, but when you ask for the information in a certain way and we do not keep our records in that way it is a little difficult to weed it out. I can give it to you for all the different types in which the men were discharged. For instance, in the month of July 917 were reported as deserted; 3,143 were honorably discharged, and 135 were given ordinary discharges.

Mr. KELLEY. What do you mean by that?

Admiral WASHINGTON. That means not an honorable discharge. The total is 5,470, and that includes the dead, the retired, the indifferent, canceled, and everything else.

Mr. KELLEY. For July?

Admiral WASHINGTON. The total for July, 1920, was 5,470.

Mr. KELLEY. Of the 3,143, how many were expiration of enlistments?

Commander PORTERFIELD. I had to divide them up according to the class of transportation, whether it was 4-cent or 5-cent mileage.

Mr. KELLEY. Give us the history of discharges for all causes other than expiration of enlistments, month by month, since last July.

Admiral WASHINGTON. I have that right here.

Mr. KELLEY. Very well.

Capt. ENOCHS. We can not give the number that was in the Navy at that time.

Mr. KELLEY. How many went out of the Navy during the month of July with an honorable discharge whose enlistments had not expired?

Admiral WASHINGTON. Including the dead, that would be 2,337.

Mr. KELLEY. There are 2,337 that were honorably discharged before their enlistments expired in July.

Admiral WASHINGTON. No, sir; some of those died.

Mr. KELLEY. What I want is how many people were discharged for some reason other than expiration of enlistments. Go ahead with August.

Admiral WASHINGTON. Two thousand three hundred and thirty seven went out for other reasons than honorable discharge, and honorable discharge means an expiration of enlistment.

Mr. AYRES. That includes desertions and all?

Admiral WASHINGTON. Yes, sir.

Mr. AYRES. Deaths?

Admiral WASHINGTON. Yes.

Mr. KELLEY. Of those 2,337 how many were desertions?

Admiral WASHINGTON. Nine hundred and seventeen.

Mr. KELLEY. That will leave a difference between those two, representing the number that went out for causes other than the expiration of enlistment?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. What about August?

Admiral WASHINGTON. In August we had 4,286 honorably discharged; 927 charged as desertions and 1,501 went out for other causes. The total of that should be 6,714.

Mr. KELLEY. The 1,501 does not include the desertions?

Admiral WASHINGTON. No; that is exclusive.

Mr. KELLEY. But the 2,327 did?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Then let us take the 917 out of there; that would be 1,420?

Admiral WASHINGTON. Yes.

Mr. KELLEY. One thousand four hundred and twenty men were discharged during July previous to the expiration of their enlistments?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And 1,501 in August?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Now, what about September?

Admiral WASHINGTON. There were 1,058 charged as desertions for September, and 2,151 honorably discharged.

Mr. KELLEY. Does that include the expiration of enlistments?

Admiral WASHINGTON. Yes; an honorably discharged man is an expiration-of-enlistment man.

Mr. KELLEY. I want those that went out for other causes.

Admiral WASHINGTON. One thousand five hundred and sixty-six.

Mr. KELLEY. It runs along pretty evenly?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. What about October?

Admiral WASHINGTON. Nine hundred and nine charged as desertions, 1,025 honorably discharged, and 1,561 for other causes. That is as far as this record goes--October. Do you want the number of men we had at that time?

Mr. KELLEY. Yes.

Admiral WASHINGTON. On July 1 we had 105,838.

Mr. KELLEY. And in August?

Admiral WASHINGTON. In August, 106,287; September 1, 107,481; October 1, 110,002; November 1, 115,063; and December 1, 123,980.

Mr. KELLEY. You will furnish the figures for November and December?

Admiral WASHINGTON. Yes; for the balance of the year.

Mr. KELLEY. I imagine it will continue about like this for another three months.

Admiral WASHINGTON. No, sir; it will materially differ. When the fleet is away cruising we have practically no desertions from the ships; we have really very few physical discharges and we have very few inapt, so that all of these figures will be very different for the next four months. The honorably discharged men will probably stay on the ships until they come north, and then they will be paid and go off in a bunch. So, we can say that the desertions will be very greatly

reduced and that the honorable discharges will be almost held up for three months; the men will stay with the ships until they come north and the ordinary discharges similarly. The number of inapt will be very slight, the number of bad-conduct men will be lessened, the dishonorables the same, and the physical the same; the furloughed will probably be increased.

They will all be very much different, so that for the next four months, with the fleet south, the conditions will be entirely different. There are very few desertions when the fleet is operating; the men desert when the vessels are lying around port and the men have less to do and to occupy their time and when they get mixed up with matters ashore.

Mr. KELLEY. I suppose the discharges for reasons other than the expiration of enlistments are nearly all made in the training schools, are they not?

Admiral WASHINGTON. No, sir; they are made from everywhere. There is not a day passes that I do not get perhaps 15 requests from Congressmen to discharge men—perhaps 25 a day—and many of them are very insistent; they write and also come up personally to insist on getting the men they are interested in discharged from the service.

Mr. KELLEY. Those who are discharged for some military reason, however, would be discharged while they are in a training school, I presume?

Admiral WASHINGTON. No, sir; not exclusively. We try to weed out as many as possible at the training schools before they get aboard ship, but after they get aboard ship, after four months at the training schools, they have not yet developed to any very great extent, and therefore a great many of them are discharged from there. Each commanding officer is allowed to discharge 1 per cent of his crew, if he sees fit, for reasons which are apparent and satisfactory to him; 1 per cent of a crew of 1,200 men means 12 a month, and in six months that means 72 men. If you multiply that 72 men by, we will say, 40 ships, there are 480 a month going out for that reason alone, an average of nearly 16 a day, and those are additional to the other causes for discharge.

Mr. KELLEY. They pick out the least efficient and let them go?

Admiral WASHINGTON. Yes, sir. But under those circumstances we have to pay their expenses home, and that is where increased transportation comes in.

Mr. KELLEY. The sum of the two columns which you have just given me for those four months would make just about 2,000 a month.

Admiral WASHINGTON. Yes, sir. You will notice, however, that those end in October. If we go back even as far as last January our personnel was 104,000; on the 1st of July, 105,000; on the 1st of August, 106,000; on the 1st of September, 107,000. Therefore, for practically nine months it was stationary, and that enormous outgo to which we were subjected was just practically balanced by all the extensive recruiting we were doing.

Mr. KELLEY. That is, the boys you were getting were not really what you wanted when you got them, and you had to let them go out?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Were there any other reasons?

Admiral WASHINGTON. The percentage of increase did not begin until October, and then if you will notice, with November 1 we had gained 8,000 over September, and then the number jumped from that to 135,000 at the end of this month, December, so that our recruiting, where the men stayed with us and the recruits added to the total, was practically all during the months of November and December; you might say that during the latter half of November and all of December this number came in.

Mr. KELLEY. Now, give me corresponding figures for November and December.

Commander PORTERFIELD. The total discharges in November was 3,744; honorably discharged, 935; and desertions 1,056.

DESERTIONS.

Mr. KELLEY. And in December how many desertions?

Commander PORTERFIELD. In December the total was 4,008, honorably discharged, 816, and desertions 1,021, leaving that number 2,171.

Mr. FRENCH. Is not this matter of desertion a very serious one?

Admiral WASHINGTON. Always.

Mr. FRENCH. Do these men return under changed names and enter the service again?

Admiral WASHINGTON. They never really get back; if they get temporarily back under changed names the finger-print system invariably detects them. There are but a very few who escape the finger-print test.

Mr. FRENCH. Then they are mostly brought back?

Admiral WASHINGTON. No; we generally do not make great effort to catch them.

Mr. FRENCH. They are mostly young boys, are they not?

Admiral WASHINGTON. Well, they are all sorts, but they are in the lower ratings mainly.

Capt. ENOCHS. A large number want to come back to clear their records.

Admiral WASHINGTON. I have here an illustration of how that runs. The number of chief petty officers who have deserted runs along about seven, eight and nine, and the maximum number at any time was eleven.

Mr. FRENCH. That is per month?

Admiral WASHINGTON. No; that is for one month. That does not mean that those men actually deserted but that they were simply charged with desertion because they were absent without authority, and then they may turn up any time, say, three months later and undergo punishment. During the past six months, with the fleet north, my recollection is that the total number of desertions averaged about 18 or 19 a day from the entire Navy, that is, they were "charged" with desertion, but there were many of them who returned, so that out of 5,800 who were "charged" with desertion probably 1,600 of them came back. As I say, the average number for the six months was 18 or 19 a day, and that was under most adverse conditions, the fleets lying around Atlantic and Pacific ports most of the time. It is our experience that desertions from the ships cease almost

entirely when the fleet goes away; the men do not desert when they are cruising, moving around or visiting foreign ports, but when they are here in our home ports, with all the attractions and temptations, getting mixed up with this, that, and the other thing on shore, overstaying their leave, they are more or less afraid or ashamed to go back, and that is when they desert. We will have very few desertions during the time the fleet is away from the various vessels, and that will be for a period, we will say, of four months. The men are very generally satisfied aboard ship, but when you keep them ashore, with the temptations and low dives and everything of that sort, surrounding the navy yards, then there is trouble.

Mr. FRENCH. What can be done to head it off more than is being done?

Admiral WASHINGTON. We are doing everything we can. Under the recreation fund we are furnishing amusement for the men; we have moving picture shows and we get them all manner of athletic games. We give them entertainments of all kinds in the navy yards and stations and aboard ship, and the condition is getting better all the while, very materially better; it is much better than it was 10 years ago, and I think on the whole can be said to be improving very greatly. But when we recruit, as we have done since the war ceased, and bring in this large number of men, many of whom are not of the best character by any means, naturally we are going to have an unstable condition.

Mr. FRENCH. Of course, there is a reason why it is a very serious thing for men to desert; that is, apart from the Navy. I was talking with a man not long ago who has been identified with secret-service work for the Government, and he told me that among the men who desert from the Army and the Navy was to be found a very fruitful field for bolshevism and all sorts of lawless teachings. They feel that the hand of the Government and society is against them any way and to go a little further does not make much difference, so that it is a serious problem socially and politically, I imagine.

Admiral WASHINGTON. There is very little desertion, though, from the fleet when they are moving about, and practically none in foreign ports.

Mr. AYRES. It is best to keep them cruising most of the time, is it not?

Admiral WASHINGTON. Yes, decidedly so; that is what we like to do. Our desertions occur practically from the shore stations or from the ships that are in reserve.

Mr. FRENCH. It is the same principle again of the idle man's brain being the devil's workshop, I suppose.

Admiral WASHINGTON. Yes.

Mr. KELLEY. I wish you would make a general statement as to what you think the situation will be as to desertions, compared with the record of the last six months, beginning July 1, 1921.

Mr. AYRES. You mean beginning next July?

Mr. KELLEY. Yes.

Admiral WASHINGTON. Running for the whole year, from July, 1920, to July, 1921?

Mr. KELLEY. No; beginning with July 1, next. Leaving out the new men coming in after that date and considering only the men who will be in on the 1st of July. I do not want to hold you to a definite figure

because that is impossible, but to give me an idea of what you think it is likely to be as compared with the last six months. For instance, after men have been in for several months they are less likely to desert?

Admiral WASHINGTON. Less likely.

Mr. KELLEY. So you would expect the desertions to fall off so far as the men in the Navy are concerned as of July 1, 1921, as compared with the last five or six months?

Admiral WASHINGTON. I think there will be less, yes.

Mr. KELLEY. And the number discharged for causes other than the expiration of enlistments will also, for the same reason, be less?

Admiral WASHINGTON. Will be greater, because if we see that the bill as introduced in the House is going to reduce us to 100,000 men, we are going to try to get down to that 100,000 as rapidly as we can.

Mr. KELLEY. You will probably start on that—

Admiral WASHINGTON (interposing). As early as I get definite information.

Mr. KELLEY. You will start on that policy before July 1?

Admiral WASHINGTON. We would start in on it to-morrow if we knew definitely about it.

Mr. KELLEY. Of course, this bill will be passed by the 1st of March, and you will have March, April, May, and June to administer the Navy after you know the policy of Congress under this bill.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. After having administered it as you will administer it for those four months, and considering what you will have left on the 1st of July, then how would the number drop out after that compare with this record for the last four months?

Admiral WASHINGTON. The dropping out will be greater, because the discharges are going to be not only by expiration of enlistments alone.

Mr. KELLEY. I am not talking about expiration of enlistments; I am talking about discharges for causes other than the expiration of enlistments. Would the percentage be greater after July 1, after you had gotten rid of every undesirable, or would it be less than it has been in the last six months?

Admiral WASHINGTON. It would be less.

Mr. KELLEY. Of course, it is a matter of opinion as to how much less.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Nobody could definitely say?

Admiral WASHINGTON. No; it will be as near 100,000 as we can get it.

Mr. KELLEY. I say, nobody can say how much less than would be?

Admiral WASHINGTON. No. If I could get definite information as to the number of men we are going to have I would begin to reduce to-morrow.

Mr. KELLEY. Of course, I can not give that information to you because I am only one member of the committee, and then there is the House, the Senate, and the President.

Admiral WASHINGTON. You see, we do not want to reduce the Navy below what we are forced to, but when we are forced to do it we want to arrive at that situation as early as possible in order to maintain an equal number of men throughout the year.

Mr. KELLEY. I think that is wise. So there will be some recruiting problems involved in the transaction in any event, in your judgment?

Admiral WASHINGTON. Recruiting?

Mr. KELLEY. Some recruiting and some apprentice seamen training.

Admiral WASHINGTON. Undoubtedly; yes, sir.

CAPACITY.

Mr. KELLEY. You could probably train all the apprentice seamen you need at Hampton Roads.

Admiral WASHINGTON. Yes, sir; if we assume that a reduced number of personnel is going to be allowed.

Mr. KELLEY. On the basis of an average of 100,000?

Admiral WASHINGTON. Yes, sir; I think we can do the recruit training at Hampton Roads. But this estimate, as submitted by the commandant, is solely for the training station as it is now operating, and it states that it does not include any estimate for East Camp. It says, "No estimate is made for East Camp, as it is understood that the Bureau of Yards and Docks will include such an estimate in its requests for appropriations for 1922, if needed." This appropriation for the training station does not include anything for East Camp. If we find, after we take on the additional number of men at Hampton Roads, the stations at Newport and Great Lakes being closed, that we are not able to accommodate them all at the operating base, then we must open East Camp, and this appropriation of \$375,000 contains not a dollar for East Camp.

Mr. KELLEY. What is the capacity of the training station at Hampton Roads now?

Admiral WASHINGTON. It is about 8,000 or 8,500.

Mr. AYRES. Is it an economical proposition to do all of your recruit training at Hampton Roads for the Pacific as well as for the Atlantic?

Admiral WASHINGTON. No, sir. The question of transportation would be quite an item. If we recruit a boy, for instance, in San Francisco we would then have to send him to Hampton Roads for his training and then later on, within four months, we would send him back, and whether you send him back by rail or by the canal the question of his transportation, the loss of time, etc., are big factors, so that we can not run a training station at Hampton Roads for those who are enlisted on the Pacific coast as economically as we could also run one on the west coast, because the distance is too far and it costs too much in transportation. I believe it is contemplated retaining the San Francisco training station; that is a smaller one than Hampton Roads.

Mr. KELLEY. The admiral stated this morning that if they had the same amount they had last year they could get along all right. How many trade students are there at Newport?

Admiral WASHINGTON. We have 80 bakers, 23 buglers, 8 commissary stewards; cooks, 69; hospital corps, 356; machinists' mates, 39; musicians, 354; radio, 87; yeoman, 282; firemen, 336; and other ratings, 143. That is as of the 18th of December.

Mr. KELLEY. Give me the same information for Hampton Roads.

Admiral WASHINGTON. Artificers, 298; bakers, 77; buglers, 54; stewards, none; cooks, 116; hospital corps, none; machinists' mates, 1,791; musicians, none; radio, 217; yeoman, 348; firemen, 938; and other ratings, 231. Then there are other schools also there, electricians, 2,187; gyrocompass, 17; motor-boat operators, 30; mess attendants, 54; signals, 103.

Mr. KELLEY. During the next year will it be necessary to have as many men in training for these various ratings on the basis of 100,000?

Admiral WASHINGTON. Probably not as many in the upper ratings; the numbers on the whole will be less, but I do not know that we will decrease certain of them, such as signal, cooks, mess attendants, and so on; we will probably have about the same number, but in the bigger ratings, like machinists' mates, aviation, radio, and so on, we will probably have, as I said this morning, about 75 per cent or less.

Mr. KELLEY. You have no aviation at Hampton Roads?

Admiral WASHINGTON. No.

Mr. KELLEY. The, if you had all of the Newport boys moved to Hampton Roads in the trade schools and no reduction in the total number it would make 8,238?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. That would be fully within the capacity of Hampton Roads?

Admiral WASHINGTON. Are you taking into consideration the fact that if we move this large number of men down there and establish these schools we must give them more buildings and take up more space for the schools, because that would take away from the living and drill space of the men.

Mr. KELLEY. You have capacity there for 8,000 men?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And you have the facilities, shops, and all that, to take in these Newport boys?

Admiral WASHINGTON. We can expand to include them.

Mr. KELLEY. You do not mean by that building new ones?

Admiral WASHINGTON. No; just expanding the facilities they now have. We would have to give more space for the school work if we moved more people there.

Mr. KELLEY. Suppose you give us the capacity for bakers—how many bakers could you take care of with your present facilities at Hampton Roads?

Admiral WASHINGTON. Forty, while we have there now 54, so we have 14 beyond the capacity of the school.

Mr. KELLEY. You have 77 there now, have you not?

Admiral WASHINGTON. They are training them as well as they can in the overcrowded school. For instance, we have not the capacity at that place for 1,791 machinist mates, but we have that number in or waiting training, and as some go out others go in the school. There is a sort of waiting list, as it were.

Mr. KELLEY. Forty is the number you can train at one time?

Admiral WASHINGTON. Yes.

Mr. AYRES. How much training does a baker get?

Admiral WASHINGTON. He gets 16 weeks.

Mr. AYRES. That means, as you say, that there is a waiting list?

Admiral WASHINGTON. Yes; they finish training and go out about weekly. We would probably have to increase the capacity there for the Newport detail if Newport station should be closed.

Mr. AYRES. You have the facilities there to do that?

Admiral WASHINGTON. I do not know that the facilities are ample. We beg and borrow from the other bureaus the needed material—some stuff that is cast off and discarded. We get some from the navy yards and elsewhere, and we establish these plants ourselves generally without any additional cost.

Mr. KELLEY. What I am getting at is this: If you have those 1,777 boys at Newport go down to Hampton Roads, you probably would not have a sum total of boys at Hampton Roads, next year, any greater than you have at Hampton Roads now?

Admiral WASHINGTON. No; not more than we have at the present time; the present time is about our maximum.

Mr. KELLEY. All right. You have given the items for this estimate of \$375,000?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Is there any other statement you wish to make about the Hampton Roads school?

Admiral WASHINGTON. If there is any question asked about the heat, water, and light, it is to be furnished the same as before; because this appropriation of \$375,000 does not contemplate that and has not at any time.

Mr. KELLEY. That is all one operating base there, and if we take care of it in the estimate for the operating base, that is all that is necessary.

Admiral WASHINGTON. Yes, sir; it does not matter to us.

Admiral PARKS. It does not matter if we are giving money enough.

Mr. KELLEY. So long as it is taken into account in one place or the other.

Admiral PARKS. It is more easily accounted for in one place than if it is divided.

Mr. KELLEY. It is almost impossible to apportion the heat.

Admiral PARKS. It is impossible to apportion the heat and costs more money than it is worth.

Mr. KELLEY. And then it is arbitrary.

Admiral PARKS. Absolutely.

Mr. KELLEY. So we will leave the heat and water to be handled as heretofore.

Admiral PARKS. It is perfectly satisfactory to me if that is the desire of Congress and it is provided for.

CLASSIFIED EMPLOYEES.

Mr. KELLEY. Do you need \$25,000 for classified employees at Hampton Roads station next year?

Admiral WASHINGTON. More than that, sir. The \$25,000 is largely helped out by the use of enlisted men. If the Navy is reduced, we must take those enlisted men away.

Mr. KELLEY. They do not ask for an increase?

Admiral WASHINGTON. No, sir; they ask for the same as last year.

SUMMER SCHOOLS.

Mr. KELLEY. The next is the summer schools. What was done about summer schools this last year?

Admiral WASHINGTON. We were very successful with them. We got very great praise from the parents who sent their boys to the schools, and quite a number of boys enlisted in the Navy as a result, and a number of them are now undergoing training for entry into the Naval Academy after their first taste of naval life at these schools.

Mr. KELLEY. Where were the schools held?

Admiral WASHINGTON. At Hampton Roads and the Great Lakes. Each one carried a little short of a thousand boys. You remember the bill was passed on the 4th of June, and before we could get all the arrangements made and the news circulated it was too late to open the schools on the 1st of July, as we intended, and then run two classes. The short time left made it advisable for us to have one class of six weeks, instead of two of six weeks each. We apportioned the number of boys that could attend to the various recruiting districts, according to the population, and in the event of any of the districts not producing its quota, the applicants from the other recruiting districts were allowed to fill it up.

Mr. KELLEY. How much did you spend?

Admiral WASHINGTON. We spent very little, sir, because the comptroller charged most of it all on the Navy. He did not put it on this appropriation. Under the terms of the bill, if you remember, the boys were required to enroll in the reserve for a period of not less than three months, and that put them on pay of the Navy, transportation and everything else, because they were regularly enrolled men. So that I believe we spent about \$75,000, all told, for the two schools.

Mr. KELLEY. You do not include in that pay of the Navy?

Admiral WASHINGTON. No, sir.

Mr. KELLEY. How much did it cost there?

Admiral WASHINGTON. I do not know the sums, but for the period of service for which the boys were enrolled they were paid the regular rates for the grade in which they enlisted, and that is apprentice seamen.

Mr. KELLEY. You do not know how much that cost, all told?

Admiral WASHINGTON. Supplies and Accounts have this, Governor; I would not have that at all. No, sir; I do not know.

Mr. KELLEY. Was that the intention, that these boys should get paid while attending these summer schools, while they were being trained, the same as an apprentice seaman?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Although they were in there for only two months or possibly a month and the Navy might never get any benefit out of them at all?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Where do you get that idea?

Admiral WASHINGTON (reading):

Provided, That those under instruction with the consent of their parent or guardian shall enroll in the Naval Reserve Force for not less than three months, and no person not so enrolled shall be admitted.

The moment he enrolled—

Mr. KELLEY. He got everything that the Naval Reserves are entitled to in the law.

Admiral WASHINGTON. Absolutely. That was the comptroller's decision.

Mr. KELLEY. Are you recommending the continuance of this project?

Admiral WASHINGTON. If we close the Great Lakes, we will have no facilities for running there; if we fill up at Yerba Buena, as contemplated, there will be no place there, and if we close Newport there will be no place there. So we are limited to Hampton Roads, and Hampton Roads would not be able to accommodate any large number due to our training an increased number of men there. I should hate to see the schools dropped, because they are very excellent things, but if the necessity for economy is as great as contemplated it seems to me that is one of the things we can spare, so far as the present good of the Navy is concerned.

Mr. KELLEY. How much did these schools cost all together?

Admiral WASHINGTON. The total for the Great Lakes was \$162,-350.07 and the total for Hampton Roads—as reported by the commandants of those two stations respectively—was \$115,236.47.

Mr. AYRES. Do you think these boys being trained should be paid the same as an apprentice seaman, during the period of their training, considering the fact we pay all their expenses of travel, food, and everything of that kind?

Admiral WASHINGTON. Under the terms of the law they were required to enroll—

Mr. AYRES. I understand your position, but what do you think of the advisability of changing that law as it applies to the pay of these boys?

Admiral WASHINGTON. If we carry on the schools, the class of boys from the life from which these boys come are not going to be able to pay their expenses for travel back and forth, food and subsistence while there, clothes and uniform. So I think those things should be provided for.

Mr. AYRES. They have to furnish their own uniform; they do that themselves?

Admiral WASHINGTON. The bill provided we should loan them the uniform, and then when they left we take it back.

Mr. AYRES. What I am getting at is this: To what expense are they put?

Admiral WASHINGTON. As it was, practically none. But if we do not give them some pay—they paid their way to the stations there because they had not been enrolled until arrival, you see, and then we paid their way back because they were then enrolled boys. The idea was, at first, we would only pay the transportation back and forth—that seemed to be reasonable—and they would pay all their other expenses; but by the terms of the act, under the comptroller's decision, it was charged on the Navy.

Mr. AYRES. I understand your position. I do not want to be put in the attitude of being penurious, but it seems to me they should pay their way back and forth if we give them all the advantages of instruction and everything of that sort.

Admiral WASHINGTON. It is very liberal.

Mr. KELLEY. Does that sum you gave there include transportation?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And their commissary?

Admiral WASHINGTON. It includes the pay, provisions, outfit on first enlistment, the transportation, and cash furnished for meals en route home, the medical department materials used—

Mr. AYRES. Of course, if they could be placed in the reserves, where the Government could use them, that would be a different proposition.

Mr. KELLEY. But they are only put in here for three months.

Mr. AYRES. That is all. If they could be placed in the reserves, there would be no question about it; but as long as you have no hold on them at all, it seems to me it is pretty liberal.

Admiral WASHINGTON. I think it is just about what the Army has done. I am not positive about that, but I think it is about the same.

Mr. AYRES. It seems to me the law ought to be changed to that extent.

Admiral WASHINGTON. It is quite a liberal provision, undoubtedly.

Mr. AYRES. I think so.

Admiral WASHINGTON. And we did not contemplate, when we entered into it, that the Navy should be charged with all this expense. Of course, while they are there, we have to furnish them with subsistence.

Mr. AYRES. Oh, surely; that is all right.

Admiral WASHINGTON. Whether there should be any reimbursement or not would be a matter for Congress to decide—whether there should be any reimbursement for their expenses.

Mr. KELLEY. So that the sum total for these schools last summer was how much?

Admiral WASHINGTON. \$277,586.54.

Mr. KELLEY. Does that include the seventy-odd thousand out of this fund?

Admiral WASHINGTON. It includes everything, sir, except the transportation of the boys home from Hampton Roads. That was not available when this report was submitted.

Mr. KELLEY. You gave there the pay of the Navy and subsistence?

Admiral WASHINGTON. These were not the bills submitted by Supplies and Accounts, but by the commandants of the stations who paid out all the money, and undoubtedly it includes everything.

Mr. KELLEY. I understood you to say you used only \$75,000 of this fund.

Admiral WASHINGTON. Yes; the rest of it came out of pay of the Navy.

Mr. KELLEY. For what did you use the \$75,000 out of this fund—transportation?

Admiral WASHINGTON. The total expenditures against this appropriation of \$200,000 were \$63,206.63 and were made by the training stations as follows: Great Lakes, \$56,612.83; Hampton Roads, \$6,593.80.

Mr. KELLEY. For what did they spend it?

Admiral WASHINGTON. The reports I have here do not give items under which it was expended.

Mr. KELLEY. You paid their transportation out of another fund?

Admiral WASHINGTON. I do not know, Governor, that it was paid out of another fund. Supplies and Accounts would know that. Great Lakes spent \$12,383.54 for transportation from the appropriation "Transportation, navigation."

Mr. KELLEY. The transportation fund item?

Admiral WASHINGTON. Yes, sir; and Hampton Roads paid—transportation of the Navy paid \$1,195.66 for meals, street car fare, and transfers en route; but this amount does not cover any railroad or Pullman transportation. Hampton Roads is itemized.

Mr. KELLEY. I wish you would give those, so that we can see what the items are.

Admiral WASHINGTON. This is from the commandant at the training station, Hampton Roads, Va. The following report shows expenses incurred at this station in connection with the summer experimental school for boys. The items charged to the experimental school for boys were: Labor for upkeep and repair, \$2,400; material for upkeep and repair, \$3,000; athletic gear, \$1,083; coal galley, \$110; total, \$6,593.80. He charged \$106,590.80 to the regular naval appropriations and to the training-station maintenance he charged \$2,051.87.

In the case of the Great Lakes he does not itemize it, sir. At the Great Lakes he spent from the allotment of \$100,000, which was just one-half of the appropriation given to him: For preparing of camp for occupancy, maintenance of camp, school books, supplies, cleaning gear, athletic gear, amusements, and all other expenses incident to operation and closing of the school, \$56,612.83.

Mr. KELLEY. I presume the policy was to charge to the various funds of the Navy everything that was properly chargeable, and then pay for the incidentals that he could not charge there out of this fund—getting the camp ready and buying schoolbooks?

Admiral WASHINGTON. No, sir. I think when they were told these men were regularly enrolled in the reserve, it was not a question of what their policy should be, but they had to put it on there. They could not pay any of these boys out of the \$200,000 under those circumstances.

Mr. KELLEY. I know. I wanted to know what items they did pay out of the \$200,000; why they did not charge it all up to the Navy.

Admiral WASHINGTON. Other than what was expended was turned back into the Treasury.

Mr. KELLEY. But of the \$63,206 that they did spend, that was spent for putting the camp in order—

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And buying schoolbooks and paying such other charges as could not be charged to the Navy?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. In the present situation you would not ask to have this item continued another year?

Admiral WASHINGTON. I would not ask that it be discontinued, Governor.

NAVAL RESERVE FORCE—ADMINISTRATION.

Mr. KELLEY. No; I understand. Now the Naval Reserve force. You had \$50,000 for organization purposes?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. That was the amount under this item last year, and you are now asking for \$250,000?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. What is the necessity for that increase?

Admiral WASHINGTON. Under the \$50,000 we have practically nothing in the way of the development and training and handling of the reserve force. It has been very little. You can imagine, with 260,000 of them scattered all over the country, that \$50,000 is not very much toward the necessary expenses incident to even giving them the facilities required by law, which requires so many drills each year.

RETAINER PAY WITHHELD.

Mr. KELLEY. How much retainer pay did you withhold?

Admiral WASHINGTON. Up to the first of the year it was \$45,000, I believe.

Mr. KELLEY. And that has been put into this fund?

Admiral WASHINGTON. \$45,000 was the amount accredited this year to this fund. Organizing the Naval Reserve for the six months months from July to December, on account of retainer pay check, the amount was \$45,000.

Mr. KELLEY. That makes it—last year they had \$95,000 for that purpose?

Admiral WASHINGTON. No, sir; last year we had only \$50,000. The retainer-pay provision applies to this year and was not in effect in the fiscal year 1920.

Mr. KELLEY. Now, just what did they do with that?

Admiral WASHINGTON. When we use the armories for drill the usual practice is for us to pay our pro rata of the expenses of heat and light and janitor service for the time we use it, for so many nights a week or a month, or whatever it may be. That seems to be a very fair and reasonable allowance which the States usually make. Some of the States allow us to use it free of charge, while others insist on this pro rata business.

Mr. KELLEY. If you went into the business of paying for armories wherever the Naval Reserve is organized, you would have a very large bill to settle?

Admiral WASHINGTON. If we paid for the armories, yes, sir. But many of the States have allowed us to have free use of them.

Mr. KELLEY. If they knew you had quite a fund here out of which to pay, they would not be so modest, would they?

Admiral WASHINGTON. I hope they would be, sir; but human nature is about the same the world over.

Mr. KELLEY. This would not cripple you any if we leave it as it was?

Admiral WASHINGTON. It does not allow us to do much with it, sir.

Mr. KELLEY. You do not want to do so much, do you?

Admiral WASHINGTON. We would like to develop the men. If we can get 120,000 trained men that have knowledge of the sea, we are in a pretty fair shape.

Mr. KELLEY. They have about three weeks' training in the summer and they get two months' Regular Navy pay for that training. You ought to get along pretty well.

Admiral WASHINGTON. But if you cut us down in the means of getting them to the sea coast for this training—

Mr. KELLEY. This does not get them there; this is not for transportation?

Admiral WASHINGTON. This does not get them there; no, sir. But the other things will; but we can not give these men any training at all unless we can get them aboard the ships; I mean, any satisfactory training to qualify them for their sea duties unless we do get them aboard the ships.

Mr. KELLEY. If their retainer pay would not keep them in line, this little organization fund would not.

Admiral WASHINGTON. This is our work; not theirs. That is what we use to keep them in line. We dispense this, and it is handled by the commandant of the district, and he has special officers there who go there for the purpose of inspecting them and supervising them and conducting drills at those places.

Mr. KELLEY. Give me a concrete example how this would be expended. Take the Naval Reserve at Detroit, if there is one there.

Admiral WASHINGTON. There has been; yes.

Mr. KELLEY. An organization?

Admiral WASHINGTON. Yes.

Mr. KELLEY. And they meet a certain number of days a year for drill purposes at the armory in Detroit?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Now, just what expenses are there that would be paid out of this fund?

Admiral WASHINGTON. If we had to pay—for instance, if the State of Michigan gave us the use of their armory and said we should pay our pro rata for the heat and light for the nights and afternoons on which we used it, why, that would be one thing.

Mr. KELLEY. Most of them now let you in free?

Admiral WASHINGTON. I do not know, sir, whether most of them do; some do. Some are very generous and others have not been so much so. Then, if we have a vessel stationed there, which we usually have, on which these reserves take a certain amount of drills and exercise, there are incidental expenses connected with that. In some places we have to pay for the use of a wharf—that is an annual expense—we can not always obtain wharf space without paying. In other cases the reserves live some distance from where the place of meeting may be, and we ought not to expect them to pay their fare, or something like that, and we try to help them out in that thing. Then there are expenses in connection with the recruiting and printing and some stationery that is used, and printing and binding of a limited nature. Then we are desirous of getting up a register for them—we have not had one for quite a long while—showing the different reserve forces and their strength in each place, their ratings, and so on, etc. Then there are certain technical books which we try to provide for them to study. Those belong to the Government; they are not given to them, but they belong to the organization, and if the organization goes out of existence they are turned in to us and we use them elsewhere. Then we try to hold conferences

with them frequently and get as many of them together as we can, and there are certain little incidental expenses in connection with that.

ANALYSIS OF ESTIMATE.

Mr. KELLEY. Have you a statement there apportioning this \$250,000 asked for to the several uses to which it is to be put?

Admiral WASHINGTON. No, sir; we have not. I have the way in which they summed up the \$500,000.

Mr. KELLEY. They asked for \$500,000?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. And you have a statement showing how they would apportion the \$500,000 by amounts?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Will you put that into the record? I do not think we need to take the time to read it. That will show just how they intend to spend this money, in case they get it.

Itemized estimate for appropriation for organizing, administering, etc., the Naval Reserve Force.

Armories, average of 2 to each State, 2 for Hawaii, 1 for Washington, D. C.,	
1 for Canal Zone; total 100, at \$2,000 each per annum	\$200,000
Heat, light, and water for armories.....	80,000
Janitors, at \$100 per month per armory.....	120,000
Wharfage at 10 large sea coast ports.....	50,000
Expenses for conferences of reserve officers.....	10,000
Recruiting, advertising, stationery.....	20,000
Printing, binding, etc.....	10,000
Technical books for instruction.....	20,000
Total.....	510,000

RECEIVING BARRACKS.

Mr. KELLEY. Now we come to our old friend, the receiving barracks.

Admiral WASHINGTON. Governor, you gave us last year \$100,000. We ask for \$200,000 for that next year.

Mr. KELLEY. Where did you get the rest of the money?

Admiral WASHINGTON. That is all we had. We did not get any more; that is all.

Mr. KELLEY. Mare Island receiving ship barracks, \$10,000; Puget Sound, \$1,200; Charleston, \$2,000; Cavite, \$400. That is for repairs and preservation asked for for 1922 through the Bureau of Yards and Docks. And under the head of Maintenance, Bureau of Yards and Docks, for 1922, they ask for \$200,000 at Hampton Roads, \$1,200 at Charleston, and \$1,200 more at Pearl Harbor. That makes a very considerable addition asked for these receiving barracks?

Admiral WASHINGTON. The receiving barracks in a number of those cases is a section of the training station, as at Hampton Roads. They have one unit there set aside for the barracks. We can give you the way we apportion the amounts for 1921.

Mr. KELLEY. Let me get the total asked for in this item and through the Bureau of Yards and Docks. I find, on addition, \$233,820 is asked for maintenance of receiving barracks through the Bureau of Yards and Docks, making the total of \$443,820. So you see the camel has his head in.

Admiral WASHINGTON. I have the amount you appropriated last June for us. I can give you the way we apportion it.

Mr. KELLEY. Let us first ask Admiral Parks how much he has augmented this \$100,000 we gave last year for receiving barracks from the Bureau of Yards and Docks?

Admiral PARKS. That is rather impossible to give, because the receiving barracks at Hampton Roads, the one you have here as receiving ship, is being handled as one unit of the base. I have a single item for power-plant expense for the whole base, covering all the units; another one for transportation, and so on. And those are not divided up among the units. Now the receiving ship has perhaps a capacity of 2,000 there, out of 14,000 total capacity on the base outside of aviation, submarine, and hospital. And if it cost \$200,000 for the whole of that part of the base for heat, I would say one-seventh of it is the receiving ship. And the same way for the other items. It is a thing we have not divided.

Mr. KELLEY. All you have done is to supply the heat and water?

Admiral PARKS. Heat and water and transportation and all the expenses of the receiving ship barracks as a part of the base.

Mr. KELLEY. What do they do with the money they get from this appropriation?

Admiral PARKS. I do not think that was used at Hampton Roads.

Mr. KELLEY. Now, Admiral Washington, we will hear from you.

Admiral WASHINGTON. Yes: we allotted \$20,000 for that. Our expenses, you see, are quite different from what Admiral Parks has there. For instance, we have the stationery and the expenses incident to gathering numbers of men and holding them there and transferring them back and forth, which are all paid out of this \$20,000. The receiving barracks and ships are used, you might say, as temporary boarding houses for sailors and, to some extent, for officers during the interims. A man is discharged from the hospital and he is not assigned to any one ship. They transfer him to the nearest receiving ship or barracks on shore and he stays until he is assigned somewhere. They must transport him back and forth. They usually have local facilities for that. Then a man whose time is about to expire and his ship is leaving port, if he only has three months to serve, he is placed on the receiving ship until he is discharged. And men ordered back from foreign stations and sent home are taken to these receiving ships until their accounts are settled or they are given leave to go home. And men coming back from any part of the country are transferred to the receiving ship to await orders.

Mr. KELLEY. Admiral Parks makes all the repairs and maintains these barracks?

Admiral WASHINGTON. Yes, sir; practically so, but we make a number of minor repairs to electrical fixtures, plumbing fixtures, and walls and ceilings, etc., as well as the roads and walks around the buildings.

Mr. KELLEY. Furnishes the heat, light, water, towels, soap, and everything else?

Admiral WASHINGTON. Oh, no, sir.

Mr. KELLEY. He furnishes everything of that kind incident to the establishment?

Admiral WASHINGTON. No, sir.

Mr. KELLEY. Who furnishes that?

Admiral WASHINGTON. Those incidental expenses are furnished by us. Admiral Parks would maintain and keep them in repair and furnish heat, light, and water. I think that is all you furnish, is it not?

Admiral PARKS. And transportation between the base and Norfolk.

Admiral WASHINGTON. But the incidental expenses are furnished by us.

Mr. KELLEY. I do not see, if he furnishes the heat, light, and water and takes the boys back and forth to that place, what there is left under the head of "Maintenance and repair" for you to do.

Admiral WASHINGTON. I have nothing to do with the larger items of maintenance and repair, sir. It is only dealing with the personnel, the living part of it.

Mr. KELLEY. This is receiving barracks; maintenance of receiving barracks, \$100,000.

Admiral WASHINGTON. Yes, sir. By maintenance, my understanding would be to maintain the institution just as you maintain a boarding house. You do not mean to maintain the repairs to the house. It is like running the house, and that is somewhat true of the receiving ship. It has no bearing, so far as we are concerned, with the main items of painting, repair, or anything of that sort.

Mr. AYRES. That is for the purchase of food?

Admiral WASHINGTON. Provisions of the Navy pays that. These are incidental expenses and the incidental expenses are very large. Sometimes we have several thousand men there; we will have a great number at all seasons of the year.

Mr. KELLEY. What are the incidental expenses?

Admiral WASHINGTON. I have never been attached to a receiving ship and really do not know what the incidental expenses are; but there are all sorts of expenses for the men coming into these places.

Mr. KELLEY. You really can not tell us how this \$200,000 is spent?

Admiral WASHINGTON. No, sir; I have not full knowledge of how it is actually spent. It is divided up among a number of them.

Mr. KELLEY. Now, then, the heat, light, painting, and everything of that kind is supplied from some other source than this?

Admiral WASHINGTON. Yes, sir; except in very small quantities.

Mr. KELLEY. This fund is not used for that purpose?

Admiral WASHINGTON. No, sir.

Mr. KELLEY. Transportation of the boys to the ship and taking them back from the ship again is paid by the Bureau of Yards and Docks?

Admiral WASHINGTON. He transports those available in the neighborhood only where they may have trucks, vehicles, etc., and where they can notify them beforehand and get a vehicle ready; but a number of men, we will say, are being held at the receiving ship for a vessel that is getting ready to go in commission. Sometimes we have an entire crew of those men and there are certain incidental expenses necessary to keeping them together week after week, you know.

Mr. KELLEY. What are these incidental expenses? The pay of food is taken out of supplies for the Navy.

Admiral WASHINGTON. Yes; we have nothing to do with that.

Mr. KELLEY. And the bedding and towels and soap and all that kind of thing is paid for through the Bureau of Supplies and Accounts?

Admiral WASHINGTON. No, sir. That is probably what these items are making up these incidental expenses—all sorts of odds and ends. It is like running a big hotel; it is a constantly changing population. Sometimes I imagine we will have as many as five or six thousand at Bay Ridge, and then we will dispose of them and they have gone back to their duties, and we are reduced to three or four hundred. And then some ships may come in there and dump twenty-five hundred or more of them without granting but a few hour's notice. It is a very fluctuating population.

Mr. KELLEY. I understand the purpose; what I am wondering is what they use the money for.

Admiral WASHINGTON. During the war, I imagine at times we had at the receiving ships 20,000 men. That 20,000 men may be there to-day, and the next week it is reduced to 13,000 and the week after to a couple of hundred. There are incidental expenses of all sorts there on these receiving ships, and this is to cover that. Ordinarily a receiving ship with no special appropriation is supported by appropriations of other bureaus.

Mr. KELLEY. That is what happens here.

Admiral WASHINGTON. The maintenance that Admiral Parks is referring to—

Mr. KELLEY. He even pays the boys fare back and forth.

Admiral WASHINGTON. Yards and Docks pays for passenger-carrying automobiles, not for the transportation of the boys. The maintenance so far as paint, upkeep and repair of the building is largely concerned, is paid for by Admiral Parks. We pay for minor repairs to broken window lights, patching holes, etc.

Mr. AYRES. All of the food, medicines, and everything of that kind, with the exception of the soap and towels and such things, is paid I take it, from Naval supplies?

Admiral WASHINGTON. I do not know, Mr. Ayres, just what they spend it for. I will ask for a list showing just what these expenses are; but I have never been personally attached to a receiving ship and do not know what they are.

OBJECTS OF EXPENDITURE.

Mr. KELLEY. Will you put in a statement showing in quite a little detail what the appropriations are spent for at Hampton Roads and other places, and what the items are?

Admiral WASHINGTON. Yes, sir. The appropriation "Receiving Barracks, December 31, 1919," was spent for the following material: Soft coal, gasoline and oil, electrical fixtures, toilet supplies, brooms and brushes, lumber and paint, carpenter's tools, plumber's supplies, stationery, window glass, paving material and repairs to paving, galley supplies, minor repairs to building, coal, furniture and repairs to same, gas, electricity, water, window shades, fire extinguishers, tires, etc., for motor trucks.

NAVAL WAR COLLEGE, RHODE ISLAND.

Mr. KELLEY. Naval War College last year had \$90,950 and they ask for the same next year.

Admiral WASHINGTON. They asked for more, sir, but the department reduced it. Their estimate was for \$123,846.54. The bureau approved \$105,000 and the department reduced it to \$90,905.

Mr. KELLEY. This is just one building is it?

Admiral WASHINGTON. The work is practically done in one building, yea, sir.

Mr. KELLEY. And the quarters for the commandant?

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Is that all in the way of buildings?

Admiral WASHINGTON. I think that is about all. He is allowed a vehicle, passenger—one horse-drawn passenger vehicle—and the services of a professor of international law, civilian lecturers, care and preservation of the library, purchase of books of reference and periodicals, and the inspection, drafting, messenger service and clerical.

Mr. KELLEY. Have you recommended that this college be moved to Washington?

Admiral WASHINGTON. The Secretary has done so. He stated to the Naval Affairs Committee the other day he favored it.

Commander McCAIN. He has made the recommendation.

Mr. KELLEY. Would he have authority to move it without legislation?

Admiral WASHINGTON. I do not think there is any doubt but that he has the legal authority to move the school; but he could not move the appropriation. The appropriation, you see, states for Naval War College, Rhode Island. I doubt if he could move the appropriation without Congress authorized it.

Mr. AYRES. He appeared before the legislative committee some two or three weeks ago and that matter was discussed. As I remember it, it was agreed at that time it would require legislation.

Commander McCAIN. He recommended a clause that would make the appropriation available.

Mr. AYRES. He recommended they make a general appropriation and not make it an appropriation for any particular place.

Mr. KELLEY. It would be some advantage to have the officers working out these war problems in close touch with the bureau chiefs.

Admiral WASHINGTON. I think this would be the logical place for it.

Mr. KELLEY. If it is necessary to run the heating plant up here to heat this one building, that would be an additional reason why it might be moved to Washington?

Admiral WASHINGTON. Yes, sir; I think if the heat was shut off they certainly would move.

Mr. KELLEY. I understand from Admiral Parks a central heating plant supplies the heat of the buildings on the Islands, and this is one of the buildings.

Admiral WASHINGTON. Yes, sir.

Mr. KELLEY. Is the heating plant arranged in such a way that you shut off boilers not needed to supply heat for this building?

Admiral PARKS. Yes; we could do that. The boilers are rather large units and one unit would be pretty large for this war college project; but of course it could be done, all right.

Mr. KELLEY. The excess cost would not be great.

Admiral PARKS. Not at all. You have to have a certain amount of labor in a power plant because of the 8-hour provision—three crews. And that crew can just as well heat ten times as much space.

Mr. KELLEY. If by legislation the college was moved to Washington would this amount be necessary?

Admiral WASHINGTON. There would be no grounds or anything of that sort to look out for as at Newport. We do not know where it would be located. One idea was to locate it in the Navy Department Building; another one was to build a structure for it, I think at an estimated cost of something like \$700,000, was it not, sir?

Mr. AYERS. I think so; but I think the principal talk, at least for the time being, was that it could be placed in one of the buildings down here.

Admiral WASHINGTON. In one wing of the Navy Building. I do not know that would be possible, from such information as I have, because I understand the Shipping Board is coming into that building and will take up quite a large part of the space; and if the War College were to move in and take up another wing, I do not believe the Navy Department would have very much room to move around in.

Mr. KELLEY. If you need the space for the Navy Department, I suppose the Shipping Board would not go in.

Admiral WASHINGTON. I believe they have made arrangements to take them in, sir. The board has already made a report regarding their coming in.

Mr. KELLEY. There will be no expense down there at all, will there?

Admiral WASHINGTON. There would be some. I imagine Admiral Parks would be called upon to fit out some of the rooms suitable for the college type and character of work and there would be some transportation of the material that they have up there, and some here.

Admiral PARKS. There is not very much money left of the appropriation for these buildings—I think less than \$130,000—Mr. Rouzer estimated would be necessary to make changes to enable the Shipping Board to come in.

Mr. KELLEY. I did not quite get that.

Admiral PARKS. I think all the money available of the appropriation for these buildings will be required to make the changes, to rearrange the space for the Navy and let the Shipping Board have two wings of the building. So some provision would have to be made to take care of the rearrangement for the War College in addition to what we now have.

Mr. KELLEY. Where is the Advisory Committee for Aeronautics housed?

Mr. ROUZER. On the second floor of the Navy Building at the present time.

Mr. KELLEY. How much space do they occupy down there?

Lieut. Commander ROUZER. About 5,000 feet.

Mr. KELLEY. I can not picture that; give me an idea about how much that would be in rooms.

Lieut. Commander ROUZER. It is a little less than that, about 3,000 feet. That is about eight rooms.

Mr. KELLEY. This is a matter that requires legislation and probably the amount of the appropriation, if any were needed, would depend on the circumstances as to what is done.

Now, have you a detailed statement of the apportionment of the various sums specified in this item of \$82,750?

DETAILS OF ESTIMATE.

Admiral WASHINGTON. Yes, sir; he has \$84,750 here, sir.

Mr. KELLEY. Oh, yes; there is \$2,000 more there.

Admiral WASHINGTON. \$84,750.

Mr. KELLEY. Just file a statement showing exactly how that is apportioned.

Admiral WASHINGTON. For unclassified employees he asks for six helpers, one teamster, one bookbinder, and one laborer—a total salary list of \$12,771.36.

Mr. KELLEY. That is civilian?

Admiral WASHINGTON. Yes, sir; and for the classified employees—do you wish the names read off?

Mr. KELLEY. No, you can just put it in the hearings, unless some of the members of the committee want to ask some questions about it.

Admiral WASHINGTON. For the classified employees he asks for \$50,059.36. Then for material he asks for \$22,590.

Mr. AYRES. That is for what purpose, Admiral?

Admiral WASHINGTON. Stationery and office supplies, drafting-room equipment and supplies, tactical maneuver equipment and supplies; photographic material; upkeep of buildings and grounds—

Mr. AYRES. How much was it for upkeep of buildings and grounds?

Admiral WASHINGTON. For upkeep of buildings and grounds he asks \$25,000. Supplies, material, etc., for the care of the buildings by the War College force, he asks for \$2,750; care of carriage, horse, and stable supplies, he asks for \$800; laundry, \$600; fresh water, \$700; electric current, \$1,250; heat, \$1,400; ice, \$30; collection of garbage, \$60; furniture, filing cabinets, typewriters, equipment, etc., \$1,500; printing and material, \$1,500; mimeograph supplies, \$2,000; That totals \$22,590. That makes his estimate of \$84,750. Then, in addition to that, he has the services of a professor of international law at \$2,000; services of civilian lecturers, \$1,200; care and preservation of library and purchase of books of reference and periodicals, \$3,000.

Mr. AYRES. You have that all itemized and are going to put it in the record, are you?

Admiral WASHINGTON. Yes, sir; I will put it in the record.

The following statement shows the way it is expected to spend the sum of \$90,950 estimated for the Naval War College for the fiscal year 1922:

Estimate for appropriation Naval War College, 1922.

(A) UNCLASSIFIED EMPLOYEES.

Class of labor.	Pay per diem.	Number of days to be employed.	Total amount to be paid.
6 general helpers.....	\$4.56	293.5	\$8,080.16
1 teamster.....	4.32	339	1,464.48
1 bookbinder.....	5.28	293.5	1,549.68
1 laborer.....	3.84	293.5	1,127.04
Total.....			12,171.36

NAVAL APPROPRIATION BILL, 1922.

Estimate for appropriation, Naval War College, 1922—Continued.

(B) CLASSIFIED EMPLOYEES.

Class of labor.	Pay per diem.	Number of days to be employed.	Total amount to be paid.
1 librarian.....	\$10.48	293.5	\$3,075.88
1 archivist and statistician.....	18.46	293.5	2,775.88
1 technical aide.....	8.28	293.5	2,722.68
1 technical assistant.....	8.12	293.5	2,698.72
1 assistant librarian.....	5.04	293.5	1,478.24
1 assistant librarian.....	4.56	293.5	1,238.36
1 chief clerk.....	9.68	293.5	2,841.08
1 supervising clerk.....	7.84	293.5	2,301.04
1 cartographic draftsman, grade B.....	6.32	293.5	1,854.92
1 cartographic draftsman, grade C.....	5.44	293.5	1,596.64
1 cartographic draftsman, first class.....	4.84	293.5	1,361.84
1 confidential file clerk.....	6.48	293.5	1,901.96
2 clerks.....	6.48	293.5	3,003.76
1 typewriter.....	5.52	293.5	1,620.12
3 stenographers and typewriters.....	5.04	293.5	1,497.72
6 typewriters.....	5.04	293.5	8,875.44
1 photographer.....	5.44	293.5	1,596.64
1 custodian.....	5.68	293.5	1,667.08
3 messengers.....	2.08	293.5	1,531.44
Total.....			50,059.36

(C) MATERIAL.

	Reduced estimate for 1922.		Reduced estimate for 1922.
Stationery and office supplies.....	\$3,000.00	Heat.....	\$1,400.00
Drafting room equipment and supplies.....	3,000.00	Ice.....	30.00
Tactical maneuver equipment and supplies.....	500.00	Collection of garbage.....	60.00
Photographic material.....	1,000.00	Furniture, file cabinets, typewriters, equipment, etc.....	1,500.00
Upkeep of buildings and grounds:		Printing material.....	1,500.00
Job orders for work performed by public works officer.....	2,500.00	Mimeograph supplies.....	2,000.00
Supplies, materials, etc., for care of building by War College force.....	2,750.00	Total.....	22,590.00
Care of carriage, horse, and stable supplies.....	800.00	Subhead No. 2. Services of professor of international law.....	2,000.00
Laundry.....	600.00	Subhead No. 3. Services of civilian lecturers rendered at the War College.....	1,200.00
Fresh water.....	700.00	Subhead No. 4. Care and preservation of library.....	3,000.00
Electric current.....	1,250.00		

Mr. KELLEY. Admiral Sims is in charge of the War College?

Admiral WASHINGTON. Yes, sir. He asks in case there is to be any reduction made in his estimate that he personally be called before the board. He says, "It is therefore earnestly requested that the department approve these estimates in full, as any reduction in the amounts requested will mean a serious handicap and setback to the efficiency and use of the college."

NAVAL HOME, PHILADELPHIA, PA.

PAY OF EMPLOYEES.

Mr. KELLEY. The next is Naval Home, Philadelphia. That is the only thing the taxpayers do not have anything to do with, is it not, Admiral?

Admiral WASHINGTON. That is paid out of the naval pension fund, as I understand.

Mr. KELLEY. Are there any changes in the salaries?

Admiral WASHINGTON. I do not think so. I think it is the same as last year.

Mr. KELLEY. He received \$47,280 this year and is asking for the same amount next year.

Admiral WASHINGTON. He asked for about \$1,800 more, but the department reduced it to the same amount that he had last year.

Mr. KELLEY. And there are no changes in that over last year, and the amount is paid out of a fund known—

Admiral WASHINGTON. As the naval pension fund.

Mr. KELLEY. Belonging to the inmates of the institution, or just how is that fund created?

NAVAL PENSION FUND.

Admiral WASHINGTON. The naval pension fund has been accumulating for over 120 years. The expenditures under this appropriation are paid out of the income from the naval pension fund. This fund, as of August 31, 1920, was approximately \$14,783,714.29, and the interest on this fund is 3 per cent. The income from this fund meets these expenses.

Mr. AYERS. How was that fund created in the beginning?

Admiral WASHINGTON. From prize money.

Mr. KELLEY. That is, a certain part of the money for taking a prize was set aside?

Admiral WASHINGTON. The prize law up to the Spanish War was authorized for us, and it is still in force for all other nations so far as I am aware. That law gave the commander in chief of a fleet or squadron, I think, one one-hundredth of the value of the prize if it was an armed vessel. If it was a merchant vessel, half of it, I think, went to the General Government before the prize was apportioned; but in the case of an armed vessel of the enemy, the capturing vessel took it all and the division was according to rank. The commander in chief got so much, 1 per cent, I think it was; the captain got something like 3 or 4 per cent, and then it went on down with the officers and men according to their rank and rates of pay and a certain proportion of it went to the naval pension fund. And this money is an accumulation of that pension fund plus the 3 per cent interest which the Revised Statutes allow.

Mr. KELLEY. That is administered by the Treasury Department and the Government just credits this fund with 3 per cent interest on the money and the fund is not kept intact?

Admiral WASHINGTON. The money is handled through the Bureau of Supplies and Accounts.

Mr. KELLEY. We just appropriate the interest?

Admiral WASHINGTON. That is all. The interest would be about \$420,000 and they are only using about \$159,000.

Mr. KELLEY. That finishes the Bureau of Navigation.

NAVAL TRAINING STATION, GREAT LAKES, ILL.

Admiral WASHINGTON. I hope you will give us another hearing on that recruiting proposition. We now have the information from the commandant of Chicago about the cost of running those units of the reduced station which you wished to get from him.

Mr. KELLEY. Let us have that then.

MAINTENANCE ORIGINAL PLANT.

Mr. HENKEL. The first question, I think, was, of the current appropriation how much is obligated for maintaining the original plant. The commandant reports 34 per cent, \$195,500.

Mr. KELLEY. Thirty-four per cent of the total appropriation for the original plant.

Mr. HENKEL. Yes, sir; and 66 per cent for the added units that are now being maintained.

Mr. KELLEY. Did you get the information as to whether or not some of this appropriation was being used to maintain units that were simply kept in cold-storage and not actually in use?

Mr. HENKEL. The commandant stated that no funds are being spent on units which are not being used.

Admiral WASHINGTON. I doubt it is, Governor, because of the tone of this letter here, which says to maintain it with these two training schools and these thousand apprentices will keep him just on the edge of a deficit. And if that is the case, then certainly he is not putting any money in unoccupied buildings; he would not be doing that. The tone of his letter here indicates he is now down to bed-rock in the expenditure of money for the absolutely necessary things and in order to accomplish this it will be necessary to discharge practically all of the artisans and laborers now paid out of this fund, and to reduce the clerical force. If he is going to that extreme, he is not spending any money on anything except what is absolutely necessary. Just above that he says:

The commandant reluctantly admits that with the present population the station can not be maintained without creating a deficiency. It is believed that the maximum the station can do during the balance of the fiscal year, with available funds, is to maintain the two trade schools, plus 1,000 recruits, under recruit training. In order to accomplish this it will be necessary to discharge practically all artisans and laborers, including the power-plant operatives, the fire-fighting force, and a considerable proportion of the clerical force. Power plants must be operated and a fire-fighting force must be maintained, and it will be necessary to employ enlisted personnel for these activities. Telegraphic advices are requested since the reduction in population and the discharges of civilian employees should be effected immediately in order to avoid a more critical condition.

Mr. KELLEY. He will probably use the young men who have been trained there for assisting in the fireroom and the engine room.

Admiral WASHINGTON. They have a partially paid fire department there. At Newport the enlisted men, solely, run it. At the Great Lakes, I think it is all civilian.

Admiral PARKS. Yes; I think it is all civilian.

NAVY YARD TRAINING.

Mr. KELLEY. Now I would like to ask you one general question, Admiral: Why don't you train these boys in the navy yards?

Admiral WASHINGTON. It would be most unfortunate to do it, sir. You can not train these youngsters with the surroundings such as we have at the navy yards, and the presence of the boys in the navy yards, that large number of them, would materially adversely affect the work of the yards. It could not be otherwise.

Mr. KELLEY. You could not have any student helpers in the navy yards?

Admiral WASHINGTON. They have now what they call apprentice mechanics, who are similar to them. Then you would be up against the trade-unions everywhere. We could not put up with it at all, sir. Our result would be very uncertain.

Mr. KELLEY. It would disorganize the navy yards?

Admiral WASHINGTON. Yes, sir; and it would not do to put the boys in that close contact.

Mr. KELLEY. It would not do to get them too close to the enlisted men anywhere, and you want to get them clear away?

Admiral WASHINGTON. We try to separate them and get them away from all other surroundings as much as we can while they are going through the training camps; and if it were possible to remove the training camps from the vicinity of the large cities, that would still more improve results—if you could get them away from cities like San Francisco, Chicago, and elsewhere, where they have all the bad elements there and which is a bad influence on these youngsters.

Mr. AYRES. And the same way at Chicago.

Admiral WASHINGTON. And the same way at Chicago. And at Hampton Roads it is unfortunate to bring up that large number of boys because of the varied classes and character of them. But I believe if we attempted to put 100 or a thousand machinists' mates and trained them in the navy yard we would probably have the leaders of the labor unions up in arms.

Mr. KELLEY. I know in connection with the public schools in almost every well-ordered public school system now, in their manual training departments, they have made arrangements with factories whereby the boys get the actual practice in factories as a part of their schooling; so that when they get through with their manual training, they have not only the theoretical side and such practice as the laboratories in the school furnish, but they have also had the experience in the shops, half a day at the school and half a day at the shop. So that I do not think the educators who have been working this out lately think there is much objection to putting those boys in beside the men.

Admiral WASHINGTON. I do not think there would be.

Mr. KELLEY. I imagine the chief objection was the one you stated—it was the industrial situation.

Admiral WASHINGTON. They would not have that same feeling you know as to boys attending public schools or private schools coming in, for instruction, perhaps, as they would to any large number of men learning the trades, with possible anticipated competition afterwards.

Mr. FRENCH. And it would be their own children in the public schools and their neighbor's children.

Admiral WASHINGTON. Yes. I imagine if we turned a thousand or so men in the machine shops at the navy yards and put in also qualified machinists to teach them the various trades and then later on sent them for duty aboard the ships not retaining any for shore work, we would have complaints and opposition that politically we could not withstand.

Mr. KELLEY. Are there any other matters which you want to call to the attention of the committee, Admiral?

Admiral WASHINGTON. Nothing except the question of these enlistments, sir, which I do not think you have clearly in mind.

Mr. KELLEY. I think I have.

Admiral WASHINGTON. And that is we have to make original enlistments in 1921-22.

Mr. KELLEY. I understand that. I tried to develop the facts upon which the figures could be determined and I think that is all in the record.

Admiral WASHINGTON. But my recollection is that you about figured on allowing \$78,000 for expenses of enlistment. You see it was \$378,000 that we estimated, for a Navy of 100,000 men, and then I said that under the altered circumstances I could cut it probably to about \$150,000 and get along with that. We will need at least that amount.

Mr. KELLEY. You see, if they do not reenlist at the rate you expect you will spend less for transportation. If you do not have to bring 60 per cent of them back you will have the difference left, with which you can recruit.

Admiral WASHINGTON. Presuming we start the Navy on the 1st of July with 117,000 (and it looks now like that is about where it will be, a thousand, more or less, this way or that), if we allow for 43,000 expirations of enlistment during the year, that would reduce us to 74,000, and then if only 25,000 of those honorably discharged came back, which would be 60 per cent, we would then have 99,000. But in that we have not made any allowance at all for those we will lose through desertions and causes other than expiration of enlistments.

Mr. KELLEY. Which you have stated would be a very much smaller percentage than during the past six months.

Admiral WASHINGTON. It probably would; probably 15,000.

Mr. KELLEY. I think the committee has your view fully in mind, Admiral. Undoubtedly some recruiting may be necessary next year to make up for desertion and causes other than expiration of enlistments, and we will take that into account. We thank you very much, Admiral, for the help you have given us.

THURSDAY, JANUARY 13, 1921.

BUREAU OF YARDS AND DOCKS.

**STATEMENT OF REAR ADMIRAL CHARLES W. PARKS, CHIEF,
BUREAU OF YARDS AND DOCKS.**

MAINTENANCE, BUREAU OF YARDS AND DOCKS.

GENERAL STATEMENT.

Mr. KELLEY. We have with us this morning Admiral Parks, the Chief of the Bureau of Yards and Docks. This year, Admiral, you had \$6,500,000 for maintenance, Bureau of Yards and Docks, and you are asking next year \$8,500,000 for maintenance. You had this year for repairs and preservation, \$3,000,000, and next year you are asking for \$5,000,000. I think probably we had better consider maintenance, Bureau of Yards and Docks, and then take up repairs and preservation, before going into the individual items, taking those

two items first, if that is as convenient a way for you to handle it as any.

Admiral PARKS. Yes.

Mr. KELLEY. I am going to ask you first, Admiral, to make a short statement as to the difference between these two appropriations, in so far as their use is concerned. How does the appropriation for maintenance differ from the appropriation for repairs and preservation?

Admiral PARKS. The appropriation maintenance is for a certain specified class of items set out in the act. Those items are all set out in the description under the general heading of maintenance—books, maps, models, and drawings; purchase and repair of fire engines, fire apparatus, and plants; machinery: operation, repair, purchase; maintenance of horses and driving teams, carts, timber wheels, and all vehicles, including motor-propelled and horse-drawn passenger-carrying vehicles to be used only for official purposes, and including motor-propelled vehicles for freight-carrying purposes only for use in all navy yards and naval stations; tools and repair of the same; stationery; furniture for government houses and offices in navy yards and naval stations; coal and other fuel; candles, oil, and gas; attendance on light and power plants; cleaning and clearing up yards and care of buildings; attendance on fires, lights, fire engines, and fire apparatus and plants; incidental labor at navy yards; water tax, tolls, and ferrage; pay of watchmen in navy yards; awnings and packing boxes; and pay for employees on leave.

Mr. KELLEY. Possibly I can get at just what I want by asking questions rather than by a general statement. Take the item for tools and repair of same. Why should not that come under the repair item?

Admiral PARKS. There is not any real good reason perhaps why a special item comes up under maintenance rather than under repairs, except that they are specified under maintenance and are not specified under repairs. Anything that is specified under maintenance—

Mr. KELLEY (interposing). Suppose you found this authority under maintenance for the repair of the tools, could you not repair the tools out of the item for repairs?

Admiral PARKS. Not strictly, because it is specifically set out here under maintenance.

Mr. KELLEY. Are there any repairs under maintenance except the repair of tools?

Admiral PARKS. If you call a locomotive crane a tool, that is under maintenance. The repairs in power plants of a certain class are called maintenance repairs, and others are called proper ones to put under repairs and preservation. The repairs of the engines and generators are put under maintenance; the repair of the brick setting of a boiler is under repairs.

Mr. KELLEY. Was there in somebody's mind this idea, that that portion which could be considered as a permanent fixture, should be repaired out of the fund for repairs, and the more movable part of the yard, like a locomotive crane or tools that can be moved about, should be repaired from maintenance?

Admiral PARKS. That is the principle that has been used in those doubtful cases, a fixture under repairs and preservation, and motive under maintenance.

Mr. KELLEY. Then, if you had a machine in a navy yard that was stationary, for instance, the boilers—

Admiral PARKS (interposing). The boiler setting?

Mr. KELLEY. Yes. Well, the boilers themselves?

Admiral PARKS. The boiler tubes would not be under that. The boiler tubes are a consumable part.

Mr. KELLEY. They would be under maintenance?

Admiral PARKS. They would be under maintenance.

Mr. KELLEY. But the setting would be under the item for repairs?

Admiral PARKS. Yes.

Mr. KELLEY. How about those large presses?

Admiral PARKS. The presses are not included in this lot of machines.

Mr. KELLEY. They would come under the item of repairs?

Admiral PARKS. They would come under another bureau, the presses.

Mr. KELLEY. What bureau?

Admiral PARKS. The machine shop tools are not included in this maintenance.

Mr. KELLEY. Who repairs them?

Admiral PARKS. Either Machinery, Ordnance, or Construction and Repair.

Mr. KELLEY. What sort of tools do you repair?

Admiral PARKS. Power-plant tools and tools that are required generally around the yard for yard maintenance and operation, mostly transportation equipment, hoisting equipment, and in the buildings the elevators and cranes, those general items.

Mr. KELLEY. Let us see if I can get this straight in my own mind. You repair all the permanent structures, the buildings?

Admiral PARKS. The permanent structures in the yard.

Mr. KELLEY. And the elevators?

Admiral PARKS. The cranes.

Mr. KELLEY. And the general tools that are moved about in the yard.

Admiral PARKS. That are required for that class of work.

Mr. KELLEY. But not for the industrial work?

Admiral PARKS. Not for the machine tools in the shop.

Mr. KELLEY. Then you do not go inside of any industrial shop for the repair of a tool?

Admiral PARKS. No.

Mr. KELLEY. You do repair the tools?

Admiral PARKS. Everything in the power plant and the distributing system up to the main switchboard in the shop.

Mr. KELLEY. Then it falls under the Bureau of Steam Engineering, or Construction and Repair, or Ordnance, or whatever bureau using the shop.

Admiral PARKS. Whatever one is using that shop.

Mr. KELLEY. So that there would be a general repair bill falling to that bureau, and a maintenance bill, in each one of these other bureaus?

Admiral PARKS. Yes; if a tool requiring power is to be installed in the shop, under the cognizance, we will say, of Construction and Repair, I would furnish the power leads up to the main switchboard, but Construction and Repair, under the installation of that tool, pays the cost for getting the leads from that main switchboard to the

tool, as a part of the installation of the tool, and it is responsible for that part of the installation beyond the main switchboard.

Mr. KELLEY. This appropriation for maintenance is your operating appropriation?

Admiral PARKS. It is; yes.

Mr. KELLEY. You employ the watchmen and elevator men out of this maintenance appropriation?

Admiral PARKS. Yes. In certain cases the elevator men are furnished by Supplies and Accounts for the operation of the elevators, but not for the care of them.

Mr. KELLEY. I did not quite get that, for the operation of the elevator?

Admiral PARKS. That is the elevator runner. The Bureau of Supplies and Accounts in its storehouses pays for that.

Mr. KELLEY. What do you have to do with the elevator?

Admiral PARKS. I have to keep the elevator in running order.

Mr. KELLEY. You have to have an inspector look after your elevators who is paid out of the appropriation for maintenance?

Admiral PARKS. Yes. The inspector and whoever makes the repair on the elevator are paid out of the appropriation for maintenance.

Mr. KELLEY. Do you buy the fuel?

Admiral PARKS. I buy the fuel in a nonindustrial yard; in an industrial yard I do not.

Mr. KELLEY. Then at nearly all the nonindustrial yards they have a special appropriation, do they not, for fuel?

Admiral PARKS. No.

Mr. KELLEY. None of them?

Admiral PARKS. None. The expenditures are all out of the lump-sum maintenance.

Mr. KELLEY. Do you buy the fuel for the training station?

Admiral PARKS. No; not for the training stations, nor for the ordnance stations.

Mr. KELLEY. Your exceptions are confusing.

Admiral PARKS. They are decidedly. But we have them divided into industrial yards, nonindustrial yards, ordnance stations, and training stations. Those are the different classes.

Mr. KELLEY. You are not supposed to make any repairs in the training stations?

Admiral PARKS. I am not supposed to do anything of that kind in the training stations, except this one year it was specially provided.

Mr. KELLEY. And you do not use either of these funds in ordnance plants at all?

Admiral PARKS. I think we have been doing a little of it in the power plant at the Washington Navy Yard this last year.

Mr. KELLEY. But you have no authority to do that; have you?

Admiral PARKS. That is a question.

Mr. KELLEY. Well, sticking strictly to the principles that you are laying down now, the repairs and preservation of ordnance plants are outside of your jurisdiction; they get money themselves for that purpose, do they not?

Admiral PARKS. I do not know whether they do or not. They want it distinctly understood that they have absolute control of everything of that kind, but the regulations provide that they shall

handle the upkeep and repairs within the capacity of the force; that repairs beyond the capacity of the force shall be taken care of by the Bureau of Yards and Docks. It makes it a little difficult to determine just where the dividing line is between the repairs that are within the capacity of the force and those that are not.

MAINTENANCE OF PROVING GROUNDS, POWDER FACTORY, TORPEDO STATIONS, ETC.

Mr. KELLEY. Under the Bureau of Ordnance, on page 36 of the bill, there is an appropriation that we made last year of \$17,500,000, and it goes on to state for what uses that money is to be employed, and down five or six lines we find this language: "For maintenance of proving grounds, powder factory, torpedo stations, gun factory, ammunition depots, and naval ordnance plants, and for target practice; for the maintenance, repair, or operation of horse-drawn and motor-propelled freight and passenger-carrying vehicles," etc.

Admiral PARKS. I guess they have got the law for it.

Mr. KELLEY. We make an appropriation, then, direct for repairs and for maintenance?

Admiral PARKS. Yes.

Mr. KELLEY. So that any items in your estimates for the Bureau of Ordnance can be eliminated, so far as you are concerned, and then we will take up the question of how much they shall have. That is the better way to handle that, is it not, Admiral?

Admiral PARKS. I think so.

Mr. AYRES. What position will the Admiral be in if he is called on by the other fellows to continue his operations?

Mr. KELLEY. He will tell them that the Treasury Department has rules that where a specific appropriation has been made for a certain purpose, that is all they are to have, and that he will be violating the law and the rulings of the Treasury Department if he gives them any money out of his funds.

Mr. AYRES. He was developing a question there, when you asked him this last question, which was somewhat interesting to me, as to repairs and maintenance within the capacity of the force, and those beyond the capacity of the force. Who is to decide that matter, Admiral?

Admiral PARKS. Generally the officer in charge of the station decides it.

Mr. AYRES. Does that come up to you at all?

Admiral PARKS. It does not come up to me at all.

Mr. AYRES. Then you would be relieved of that responsibility, if we pass this kind of legislation?

Admiral PARKS. That does not necessarily mean that I shall use the yards and docks appropriation for doing those repairs, but I shall have charge of those repairs under whatever appropriation is used to pay for them.

Mr. KELLEY. That would involve an expense in supervision and inspection that would increase your overhead, would it not?

Admiral PARKS. It falls on my overhead; yes.

Mr. KELLEY. And increases your appropriation to that extent?

Admiral Parks. Yes.

Mr. KELLEY. How much repairing and maintenance work do you propose for the Bureau of Ordnance?

Admiral PARKS. Very little. About all I have done is their new construction, and not all of that.

Mr. KELLEY. They must have in their bureau a public works division?

Admiral PARKS. I have had reason to believe that they had something similar to that.

Mr. KELLEY. Is that contrary to the law?

Admiral PARKS. I think the law provides that all public works shall be designed and constructed by the Bureau of Yards and Docks.

Mr. KELLEY. But if they are maintaining a bureau for the purpose of making repairs or maintaining these ordnance stations, they are violating the law, are they not?

Admiral PARKS. I think if they are erecting new public works, that they are going beyond the authorization of the law.

Mr. KELLEY. Your understanding is that when Congress makes an appropriation for the repair and maintenance of ordnance plants, that the supervision, layout, and inspecting of the work should fall to the Bureau of Yards and Docks?

Admiral PARKS. If it is extensive, and beyond the capacity of the ordinary force employed at that place.

Mr. KELLEY. Is it necessary to have a division of public works in the Bureau of Ordnance? Could not the whole work be done more economically through your bureau?

Admiral PARKS. I believe that since all of the public works generally have been under the Bureau of Yards and Docks economy has been secured, and I think the presentation made prior to that action by Congress was good enough to warrant the belief that economy would result from that action, and during the 8 or 10 years—I have forgotten the date of that act—but I think that during that time the result has shown economies.

Mr. KELLEY. Before that time many different bureaus made their own repairs and took care of their own preservation, independent of the Bureau of Yards and Docks?

Admiral PARKS. Yes, and designed and erected buildings. When the power plants were consolidated under Yards and Docks there were several small plants, one for each bureau that had activities in the yard. They were uneconomical.

Mr. KELLEY. That is to say, at Hampton Roads, where you have a number of different activities, which are under the old regime, each one would maintain its separate power plant?

Admiral PARKS. Yes, and, worse than that, in the navy yard the buildings of a bureau were not grouped, and you had the distributing system for construction and repair paralleling the system for ordnance, and another for steam engineering, and in the same street, all going to the intermingled buildings.

Mr. AYRES. Conducted under two or three different departments?

Admiral PARKS. Every department that had use for that kind of thing had a power plant of its own.

Mr. KELLEY. The underground wires, etc., from the generating station?

Admiral PARKS. Yes. Those plants were so small, I think, that the labor cost was 90 per cent of the total cost of furnishing power for

that plant. One I have in mind where the generator was not in excess of 55 horsepower. That is the only one there was in that plant. Another plant in the same yard had a 225-horsepower plant. Under the act of Congress consolidating these, those plants were done away with, but both of the machines that I mentioned were established in the central power plant. That 225-horsepower machine was able to take care of the load after 4.30 in the afternoon, and all Sundays and all holidays, and still it was too large. We rebuilt that 75-horsepower generator and put that in the plant, and it was able to take care of all of the load on Sundays and holidays. It was not quite enough to take care of the night load, but that meant that instead of having a machine that required a floor operator and a machine operator, we put in a 75-horsepower machine that one man could operate. That cut down the engine-room force to one man. That took care of the Portsmouth Yard perfectly on Sundays and holidays, and the 225-horsepower machine took care of it nights.

Mr. KELLEY. Under this appropriation just what do you do to the buildings in the navy yards?

Admiral PARKS. Furnish the furniture in all of the offices, and that includes shades, and formerly it included rugs, but rugs are not furnished in offices any longer. It furnishes all the furniture, rugs, and carpets in officers' quarters.

Mr. KELLEY. All the household goods?

Admiral PARKS. In the houses occupied by the officers. It takes care of the plumbing and electric lamps.

Mr. KELLEY. You mean by that that you repair the plumbing?

Admiral PARKS. Repair the plumbing and replace burnt-out lamps.

Mr. KELLEY. I should think that that would come in the other item of repairs.

Admiral PARKS. I think it probably should, but a division was made rather arbitrarily, and the plumbing was put in the maintenance class instead of in the other; that is, plumbing for quarters.

Mr. KELLEY. That is the repair of plumbing?

Admiral PARKS. Yes—well, it is more often a cleaning proposition, perhaps, than it is a straight repair. It is inspection to a great extent, and possibly from that standpoint it is more properly a maintenance than a repair job. Painting on the inside of quarters is considered maintenance, while the painting of the outside is considered repairs. There is a schedule that perhaps looks more or less arbitrary—

Mr. KELLEY. Looks more or less?

Admiral PARKS. Well, it probably is; but it has been in use for a long time, and without something of that kind the officers in charge will not know very definitely where they ought to be charged. It is a little difficult to do that without some laid-out schedule.

Then all of the cleaning of the grounds—

Mr. KELLEY. Let us stick to the buildings. Is there anything else you can do to the buildings out of this fund?

Admiral PARKS. The inspection and adjustment of the interior heating apparatus.

Mr. KELLEY. Suppose you have to repair a radiator in the commandant's house, under which appropriation is that charged?

Admiral PARKS. We take care of the radiators under maintenance

Mr. KELLEY. Then if a radiator gets out of order you repair it out of maintenance?

Admiral PARKS. The principal thing in repairing a radiator is putting in new packing around a valve or adjusting an air valve. Those are the principal repairs you get.

Mr. KELLEY. Why does that not come out of the repair appropriation?

Admiral PARKS. That is more nearly an adjustment proposition than it is a repair proposition. It does not require the kind of work that I would call repairs. It would call for an upkeep proposition rather than repair.

CONSOLIDATION OF ITEMS, MAINTENANCE, AND REPAIRS AND PRESERVATION.

Mr. KELLEY. What advantage is there, Admiral, in having these two headings? Why not put maintenance and repair in one paragraph, and if you are going to have \$9,000,000, we will say "for maintenance and repair," and put it all together.

Why attempt to keep those two segregated, as long as you do not, in fact, keep them segregated, or, as you say, you paint the outside of a house and charge it to repairs, and paint the inside and charge it to maintenance? What reason is there for having two appropriations here that dovetail together as closely as these two?

Admiral PARKS. I do not see any reason why they should not be handled as one appropriation. The only thing is that maintenance specifies a certain lot of things, and the appropriation for repairs and preservation never has gone into detail, and it would not do to combine the two and limit them, or limit the combined appropriation to those items now recited under maintenance, and I have rather had a feeling that I like Congress to specify the items under an appropriation. If we combine them I fear I should suggest that we cut out the enumerated items, and make a lump-sum appropriation. I am not in favor of lump sums. I believe it is much better to have the items designated, although I know I am in a minority on that proposition.

Mr. AYRES. Congress would a great deal rather have it in that way, rather than a lump sum.

Admiral PARKS. I think by combining them we will do away with whatever good we now have in that enumeration under maintenance.

Mr. KELLEY. On page 63 of the bill the only language there is, "For repairs and preservation at navy yards, fuel depots, fuel plants, and stations." Why not put that language at the end of the paragraph on page 41, and add these two appropriations together, whatever we give?

Admiral PARKS. That would do away with the objection I have just raised.

Mr. KELLEY. And you would still preserve your itemization?

Mr. AYRES. That word, "preservation," I suppose would be equivalent to upkeep.

Mr. KELLEY. Then there would not be these hair-splitting distinctions of bookkeeping and trying to determine whether a particular job should be charged to this account on page 62, or the

item on page 41. There must be quite a bit of bookkeeping and paper work?

ADMIRAL PARKS. There is a lot of it.

Mr. AYRES. I think it would be more satisfactory and economical anyhow to have it all under one head and have one department responsible for it.

Mr. KELLEY. As long as it is administered by the same officer. You do not know of any objections whatever to doing that, do you?

Admiral PARKS. It rather seems to me that it would be an improvement. It would avoid one lot of records. To-day I must make an allotment under maintenance and another one under repairs. With that arrangement I would make one allotment under maintenance and repairs. It would cut down the job orders quite a lot. I have the December 1 report here, which shows that the number of open job orders on that date, or allotments, was 13,390.

Mr. KELLEY. What do you mean by a job order?

Admiral PARKS. An allotment. I have allotted out of maintenance so much money to the Philadelphia Navy Yard, and so much out of repairs for that yard. I may have 20 allotments to that yard current to-day under repairs, and 20 under maintenance. With the suggested change, that would be reduced by at least a quarter. Instead of having 13,000 allotments out, and all the clerical work to take care of them, I might have them down to 9,000.

Mr. KELLEY. With a corresponding reduction in the clerical work?

Admiral PARKS. A corresponding reduction in the clerical work in the accounting office of the navy yard, in the public works office of the yard, and in the bureau.

Mr. KELLEY. And as against all those advantages, you know of no disadvantages against the consolidation of these two items?

Admiral PARKS. I do not know of any disadvantage. The only thing is the much larger lump sum that is provided.

Mr. KELLEY. You have that at any rate.

Admiral PARKS. We have got it anyhow, but perhaps it looks smaller in two appropriations than in one.

Mr. KELLEY. It is the same thing, only instead of having one appropriation in one paragraph, and another appropriation in another, you will have the total in one paragraph.

Admiral PARKS. It is just the same.

Mr. KELLEY. All right; we will take that up and consider the advisability of the consolidation.

Admiral PARKS. There is only one point I have been making on that, and that is that repairs and preservation has always been below the reasonable limit for the amount of work that should be done.

Mr. KELLEY. That probably explains that arbitrary division and the charging of a great many items, which would to the layman look like repairs, under maintenance.

Admiral PARKS. It accounts for something of that kind, because unless you have a schedule of that kind laid out the appropriation will not be used to the best advantage. The appropriation not being large enough for the necessary work, the work that appears most important to the officers immediately connected with it will be done first. When they do those things out of repairs and preservation, when repairs and preservation is exhausted they have got to

stop and wait until the next year's appropriation to give them some more money to continue the repairs. These running expenses under maintenance must be continued through the year, or the yards will close down. If the two are consolidated it may be a little more difficult to keep the yards down to their allotments, and have sufficient left for the month of June on that operating and maintenance end. I think it can be done, however. But I have always looked at repairs and preservation as something that could stop when that money was exhausted, and the yard would not be closed down, but you can not exhaust maintenance without closing the yard down.

Mr. KELLEY. Still, if you make your maintenance item large enough to take care of painting a house on the inside and take care of the plumbing and all that kind of thing, you are only indirectly swelling your repairs appropriation.

Admiral PARKS. I think it could be done. It will cut down a lot of paper work.

Mr. KELLEY. If you really wanted to reduce the expense of repairs, you would have to go through carefully and discover how much you had spent for what will be regarded as legitimate repairs out of the appropriation for maintenance, and reduce the appropriation for maintenance by that amount in order to get the exact amount indicated as desirable.

Admiral PARKS. It is pretty hard to do that, I think. The accounting system takes a certain depreciation. That might be taken as the proper amount for repairing, depreciation, say, on a certain shop, and if you had expended less than that for repairs from the time you began that depreciation, it would appear that you had not overexpended for repairs, but if the depreciation, say, was \$10,000 this year, and you had spent \$30,000 this year, without looking further you would say you had been pretty extravagant in your repairs, but the probability is that you had not spent anything for three or four years for repairs, and put it all in at one time.

So you would have to work up your depreciation from the time the building was put into use up to date, and your repair items up to that same date, to see whether one or the other was ahead. It would be quite a little job to get a fair analysis of that. The fact is that the depreciation is not being made up by repairs. It is probably all right not to do it, but we will neglect to make up the full depreciation and repair for, say, 20 years, and at the end of that time we want another building anyway, so what we have saved on repairs on that building is probably a good Government saving, but if we had wanted that same building for 100 years, 10 years' neglect would have been a bad thing. By keeping repairs and preservation, though, we have had to keep our repairs down.

Mr. KELLEY. Out of either one or the other of these two items, the one in which you ask for \$8,500,000, or the one in which you are asking for \$5,000,000, you repair all the buildings in all the yards and stations except ordnance and training stations.

Admiral PARKS. Yes, sir; ordnance and training stations. I do not think I am repairing radio stations out of my appropriation. I am repairing them out of engineering, and also the marine barracks out of the marine appropriation.

Mr. KELLEY. Then ordnance, training stations, radio stations, and what else?

Admiral PARKS. Marine barracks and hospitals. I am doing the hospitals out of the hospitals appropriation.

Mr. KELLEY. How about the fuel plants?

Admiral PARKS. I am taking the fuel plants, I think.

Mr. KELLEY. How did you get those? Do we not make an appropriation for maintenance of fuel plants in another place? Does not the Bureau of Supplies and Accounts have control of them?

Admiral PARKS. I doubt whether they do of repairs. They operate them.

Mr. KELLEY. How about preservation?

Admiral PARKS. I feel pretty sure that I am taking care of the repairs on the fuel plants at the navy yards themselves. As to the fuel plants outside of the navy yards I am not so sure about.

DEPOTS FOR COAL AND OTHER FUEL.

Mr. KELLEY. On page 58 is a small item. "For depots for coal and other fuel: contingent, \$50,000." That would take care of those small items?

Admiral PARKS. That is not for repairs and maintenance. That is contingent on the new construction.

FUEL AND TRANSPORTATION.

Mr. KELLEY. On page 79, under fuel and transportation, is an appropriation for "Coal and other fuel for steamers' and ships' use, including expenses of transportation, storage, and handling the same; maintenance and general operation of machinery of naval fuel depots and fuel plants."

Admiral PARKS. They are taking care of the operation of machinery. They are paying all the expenses of handling.

Mr. KELLEY. If they have an appropriation which pays for the storage and the handling of all the coal and for maintaining the machinery for handling the coal, what more is there to do?

Admiral PARKS. There is a lot of repair work on the wharves and coal bins, and things of that kind.

Mr. KELLEY. What do they want with the appropriation for storage?

Admiral PARKS. I do not know exactly what they call that storage. At Melville we made quite a number of repairs, running from \$4.80 up last year.

MAINTENANCE AND GENERAL OPERATION OF MACHINERY OF NAVAL FUEL DEPOTS AND FUEL PLANTS.

Mr. KELLEY. Notice this language:

Maintenance and general operation of machinery of naval fuel depots and fuel plants.

Admiral PARKS. That perhaps is somewhat in line with what I said a while ago, that maintenance, yards and docks, is specific in its items, and maintenance is used in other places without being specific. If you apply maintenance there as you have in yards and docks, it would cover a certain lot of items, and repairs would be left out, but it is not at all clear what maintenance does in that appropriation.

Mr. KELLEY. What is there peculiar about the station at Melville that you should take care of that out of the appropriation for the Bureau of Yards and Docks, and none of the rest of them?

Admiral PARKS. Those were repair items.

Mr. KELLEY. Do they not have any repair items at any of the other fuel depots?

Admiral PARKS. Miscellaneous repairs, repairs to distributing systems outside of the buildings, improvement to grounds, ditches, sewer system, electric lighting system, water front, custodian's quarters; it is that class of repairs that we have been taking care of.

Mr. KELLEY. Do they not have that class of repairs anywhere else?

Admiral PARKS. They have at San Diego. That is purely a fuel station separate from the others.

Mr. KELLEY. They are asking for \$164,426 for that fuel station at Melville out of maintenance, and \$82,300 out of repairs, making a total of \$246,000 for the repair and preservation and maintenance of one particular fuel depot, and I am asking why it is that they are peculiar from the rest.

Admiral PARKS. I do not think there is anything that distinguishes that from San Diego.

Mr. KELLEY. The fact is that this item should be referred to the Bureau of Supplies and Accounts and included in their appropriation for repairs of fuel plants, or else the whole matter of fuel plants should be taken over by the Bureau of Yards and Docks.

I understood you to say you did not repair machinery in any industrial plants?

Admiral PARKS. None of the machinery that is operated by a division under a specific bureau.

Mr. KELLEY. Is there not a great deal of machinery in a navy yard that is not operated specifically for any one bureau?

Admiral PARKS. Not much outside of the transportation and the power plant. The rest of it is pretty definite.

Mr. KELLEY. Then, generally speaking, the only machinery in a navy yard that you repair and maintain is the general power plant and such other yard machinery as could not be assigned to any particular bureau?

Admiral PARKS. That is not assigned to any particular bureau.

Mr. KELLEY. That would include the railroad tracks, would it?

Admiral PARKS. The railroad equipment of all kinds.

Mr. KELLEY. And locomotives?

Admiral PARKS. Locomotives and locomotive cranes, motor transportation and wagon transportation.

Mr. KELLEY. Anything else?

Admiral PARKS. Fire apparatus, and that is about all I think of.

Mr. AYRES. You include elevators, probably, in the buildings?

Admiral PARKS. Elevators and cranes. It is supposed to be economy not to allow public works to have a shop. If it has any electrical work to do, it gets electricians from Engineering, or if it has any carpenter work to do, it gets carpenters from the hull division, on the assumption that all this repair work can be done by people out of shops during their spare time, or something like that. It does not actually work that way, but it prevents public works from having a repair shop. I am not in favor of it personally, because I do not

believe there is any manufacturing concern running privately that takes its people off of production to make repairs. I am familiar with that thing from the time I was a boy. The repairs in my father's factory were made by a repair gang that he kept, and not by his productive men. I looked particularly into that thing at Schenectady a few years ago when I was on duty at the General Electric Works, and I did not find them taking their productive men to make their repairs. I believe we ought to have one, but as we do not have one we do not repair any of that special machinery.

HAMPTON ROADS—MAINTENANCE.

Mr. KELLEY. In the detailed statement which you furnished me, Admiral, and which I will put in the record, you have estimated \$100,000 for the grounds, under the head of maintenance at Hampton Roads. Just what sort of expenditures would that include?

Admiral PARKS. That heading covers streets and walks.

Mr. KELLEY. You mean new streets?

Admiral PARKS. No; the cleaning and maintenance of the streets in existence.

Mr. KELLEY. Cleaning the walks and keeping them free of snow in the wintertime, and what else?

Admiral PARKS. The sewer system, the electric conduit system, and the water system. Those are all included under the head of grounds.

Mr. KELLEY. You have in the item of repairs, grounds, also for the same station there, an item of \$11,000 for repairs. What would that include, repairs on grounds?

Admiral PARKS. That would be repairs on the same items; that is, on streets, sewage, water system, etc.

Mr. KELLEY. I can readily see that if you wanted to clean your walks that would be a maintenance charge, or if you wanted to clean the sewers it would be a maintenance charge, but if anything gets out of repair, if you had to fix a walk or a drive with new cement or gravel, I can not see how that would be maintenance, and yet the large item you have is maintenance, \$100,000, and only a small item of \$11,000 for repairs.

Admiral PARKS. Those are the estimates that have been sent in from the yards.

Mr. KELLEY. I understand.

Admiral PARKS. But not necessarily the ones that will be expended this next year for those items. I have one six months' report here from Philadelphia in detail that I introduced in the hearing last year before the Naval Committee and under "Grounds" there are half a dozen items that I will read here. Cleaning and clearing grounds, \$22,000; cleaning roads, walks, gutters, etc., \$5,000; removing and disposing of yard refuse, \$2,000; removing and disposing of ships' refuse, \$9,000; exterminating mice and rats, \$700; exterminating mosquitoes, \$4,000; miscellaneous labor, consumable in making of subsurface surveys, \$5,000; exterminating mosquitoes, \$82; cleaning and painting posts and fences and cleaning yard in general, \$200; cleaning up area east of smithery extension, \$700, and miscellaneous, \$200, making \$51,000 detailed for the specific objects that were covered during the six months under "Grounds."

Mr. KELLEY. Those you think would logically and properly be maintenance charges?

Admiral PARKS. I think those are all very properly maintenance. Painting is not a repair; it is a preservation, but I think that is very properly maintenance, and, of course, taking care of ships' refuse looks like a peculiar thing to be set out under "Grounds," but that happens to be the accounting system.

Mr. KELLEY. And that mosquito extermination is more an item for the Bureau of Medicine and Surgery.

Admiral PARKS. It is more a health proposition.

Mr. AYRES. I should think it would be under the Bureau of Health.

Admiral PARKS. They are not fitted to take care of that kind of work. If it were put under the Bureau of Medicine and Surgery they would turn it over to us to take care of it.

Mr. KELLEY. I have always looked upon your bureau as an engineering bureau.

Admiral PARKS. An engineering bureau in the Navy covers a lot of things.

Mr. KELLEY. Even the extermination of mosquitoes?

Admiral PARKS. Decidedly.

Mr. AYRES. And mice and rats?

Mr. KELLEY. Mice and rats might get into the buildings and a question of maintenance might arise there.

Admiral PARKS. There are a lot of these things that the public works officers do not care for. They are not strictly engineering, but somebody has to take care of them. They are not attractive to anybody, but they happen to be in Yards and Docks. They are a kind of a general utility bureau. That is what it is, general utility.

Mr. KELLEY. Under the head of maintenance you furnish the fuel itself at the navy yards where there is a central power plant?

Admiral PARKS. We do it in this way. At a nonindustrial yard we take care of the whole power plant expense, but at an industrial yard the power expense is kept for the month and then divided between the military and industrial. The military end of the power plant expense is charged to maintenance, Yards and Docks, and the industrial part is charged to the productive output of the shops.

Mr. KELLEY. It is not quite clear to me whether or not you pay for coal at the Philadelphia Navy Yard or any other navy yard out of that appropriation.

Admiral PARKS. I pay for that part of it that is used for the military division of the yard. Last year at Philadelphia the expenditure for power was \$217,000, but there was only a part of it charged to maintenance, Yards and Docks. The rest of it was charged to the output of the shops.

Mr. KELLEY. Who makes that division?

Admiral PARKS. The accounting officer.

Mr. KELLEY. Under some method of account keeping?

Admiral PARKS. Under the system of accounts established. He makes up the general expense.

Mr. KELLEY. How can you tell how much the military expense of the yard should be?

Admiral PARKS. That is an arbitrary affair. It is generally laid down that certain things shall be military and certain things shall be industrial.

Mr. KELLEY. Take the commandant's house and the houses of all the officers that live in the yard. Who pays for the heat and the light—you or somebody else?

Admiral PARKS. The commandant's house and the public works officer's house, and sometimes the supply officer's house and the medical officer's house, are paid for as military. The industrial manager's house and the shop superintendent's house are paid for as industrial.

Mr. AYRES. That requires two classes of bookkeeping?

Admiral PARKS. It requires a lot of bookkeeping.

Mr. AYRES. But it all comes, in reality, eventually out of the one fund?

Admiral PARKS. That system of bookkeeping allows a part of it to be paid out of maintenance, yards and docks; a part of it out of engineering; and a part of it out of construction and repair.

Mr. AYRES. That entails about six different kinds of bookkeeping?

Admiral PARKS. So many that we wonder that we get reports as early as we do.

Mr. KELLEY. Under that plan of account keeping there must be bookkeeping system in the Bureau of Yards and Docks, Construction and Repair, in Engineering, and probably in Ordnance, and in Supplies and Accounts?

Admiral PARKS. No; there is not anything of that kind, according to the regulations; that is, the yard departments are only permitted, like the bureaus, to keep memoranda accounts. The accounting officer at the yard is the only one who is supposed to be keeping accounts. The public works officer may keep certain memoranda, the supply officer, the engineer officer, etc., but each one of those is expected to get his information from the accounting officer.

It is the same way in the bureau. We can keep memoranda accounts of the allotments we make and of the returns that come in from the yards, but I must depend upon Supplies and Accounts for the actual accounts.

Mr. KELLEY. Under whose jurisdiction is the fuel?

Admiral PARKS. The fuel is purchased by Supplies and Accounts and furnished the yard.

Mr. KELLEY. Who gets it in the yard?

Admiral PARKS. The power plant is under the Bureau of Yards and Docks, but is operated by the engineer officer at the yard, so the machinery division in the yard gets the coal for the power plant. The Machinery Division operates the power plant for the Bureau of Yards and Docks.

Mr. KELLEY. Who is responsible for the distribution and handling of coal after it is received in the yard?

Admiral PARKS. The engineer officer is responsible for handling the coal and reporting to the accounting officer.

Mr. KELLEY. Then the accounting officer apportions the expense to the various bureaus?

Admiral PARKS. Yes.

Mr. KELLEY. And that portion of the expense is carried in this item of maintenance?

Admiral PARKS. The part of it that applies to the military end of the yard.

Mr. KELLEY. So that actually the only expense is in the additional accounting?

Admiral PARKS. There is not any more expense. The only expense perhaps is in the additional accounting.

Mr. AYRES. I should think it would be more expensive to deal with four or five or six different systems of bookkeeping. It seems to me that it could all be done by one.

Admiral PARKS. The accounting office is supposed to accomplish that very thing.

Mr. KELLEY. I understood you to say, Admiral, that the Bureau of Supplies and Accounts kept the details of all these transactions, coal, fuel, oil, and other transactions of that kind, where they had to be apportioned. Of course, the accounting department there must apportion it to the various bureaus, and I suppose that is quite a complicated thing, is it not?

Admiral PARKS. It is. During the month the expenditures for labor and material are entered up and the overhead. One example that was given me was 160 per cent of the direct labor. That is entered up, and that overhead contains, among other things, power expense, officers' pay, depreciation, and one or two other items that I do not recall just at present. All of the accounts are carried out with this overhead, and if work is being done for the Boston Navy Yard at the Portsmouth Navy Yard, when the work is completed, say, on the 10th of the month, that work is charged to the Boston Navy Yard with that 160 per cent overhead, if 160 happens to be their factor, or if it is done for the Marine Corps or for the hospital or for any other activity that is not a part of that industrial yard then the accounts go ahead up to the end of the month, and all the overhead is taken off and the undetermined is calculated. That leaves out officers' pay, which comes out of another appropriation; it leaves out expenditures that have been made for repairs and preservation and maintenance, Yards and Docks, because they are specific appropriations, and leaves out depreciation. Then it works down, we will say, to a factor of 55 per cent. That 55 per cent is then applied to the job orders and the appropriation expenditures are thus determined, and the book value of cost was that on which the 160 per cent had applied. It is an effort to keep a cost account, as well as an appropriation account, which makes it a little complicated.

Mr. KELLEY. Take, for example, the Philadelphia Navy Yard. Under this appropriation, what part of the expense of the coal falls to you?

Admiral PARKS. I can not give it to you exactly, for the reason that I have material and labor in the item. I did not get any of it.

POWER PLANT, PHILADELPHIA, MAINTENANCE.

Mr. KELLEY. You have estimated \$100,000 for maintenance for the power plant at Philadelphia.

Admiral PARKS. Last year I did not get a cent of it. The allotment was too small, and they have charged it to the industrial, at Philadelphia. The amount was \$217,000.

Mr. KELLEY. Take it at Hampton Roads. How much there?

Admiral PARKS. I got it all there; \$293,000.

Mr. KELLEY. That is what you spent last year at Hampton Roads?

Admiral PARKS. That is what I spent.

Mr. KELLEY. Why should they ask for \$434,000 this year?

Admiral PARKS. I think that is rather too much. In addition to what they had last year, there are some new sotrehouses. That is practically all the increase.

Mr. KELLEY. You term Hampton Roads as nonindustrial plant?

Admiral PARKS. Yes, sir; a nonindustrial plant.

Mr. KELLEY. So there it would all fall to you?

Admiral PARKS. Yes.

Mr. KELLEY. But at an industrial yard it is apportioned to those other bureaus, and you take only that part which seems to be the share of Yards and Docks?

Admiral PARKS. Yes.

Mr. KELLEY. In so far as the power is necessary to heat the officers' quarters, light them, or run the cranes, the general yard machinery, the locomotives, and that kind of thing?

Admiral PARKS. Yes, sir, and street lighting.

Mr. KELLEY. And at Philadelphia last year did not they apportion any of it to you?

Admiral PARKS. They charged it all.

Mr. KELLEY. Charged it all to the works?

Admiral PARKS. Last year the amount charged to general expense, power, at all the industrial yards, was \$3,632,000. The amount at the industrial yards last year charged to general expense was \$3,632,-757.83. That went into the general expense and was divided into industrial work.

Mr. KELLEY. If we decrease this appropriation, the effect will be that the distribution will fall more on the industrial appropriation?

Admiral PARKS. It does, but the bureaus are not pleased to have this increased against their appropriations, and while, to avoid a deficiency this year, I have told the industrial yards that it will be necessary to charge, under section 132 of the accounting system—

Mr. KELLEY. What is that?

Admiral PARKS. That is a system of accounting that Congress approved a few years ago—it will be necessary for them to charge only to general expense the amounts absolutely necessary which can not be covered by the allotments under maintenance. I have told them to keep an accurate account of those charges to general expense that should have been more properly maintenance, and report them at the end of September for the first three months, and then each month until I had an opportunity to go into that feature.

Mr. KELLEY. Have you got a deficiency in this item of maintenance?

Admiral PARKS. I have not a deficiency because of that; that is, we are charging to general expense things that ought to be charged to maintenance.

Mr. KELLEY. Where is that general expense taken care of, in what appropriation?

Admiral PARKS. That goes into productive work. If you are building a ship at the yard, you are doing some of this out of the ship's appropriation which should be charged to "Maintenance, Yards and Docks."

Mr. KELLEY. Do you mean to say that in the building of a ship at the yard, you can not determine the amounts chargeable to main-

tenance of the cranes, locomotives, railroad tracks, and all that kind of thing used in the construction of the ship?

Admiral PARKS. You get that in the cost account, but not in the appropriation account.

Mr. KELLEY. Why should they be different?

Admiral PARKS. Because specific appropriations are made for certain things that are charged directly to the specific appropriation, but they are elements of cost of the productivity of the yard. They are carried in that 160 per cent I just mentioned as an overhead expense, for accounting purposes. It may be 160 per cent at one place, or 170 per cent, but relatively a large amount. That is for cost purposes only; it is not for appropriation purposes, but your charges against your appropriations will be increased when you increase the charges to general expense, but general expense, from my point of view, should be kept as low as possible, and the specific appropriations should cover the known items?

Mr. KELLEY. This appropriation for maintenance is almost wholly a matter of administration, is it not?

Admiral PARKS. It is as long as that section 132 stays in that accounting system.

Mr. KELLEY. What is that section?

Admiral PARKS. It is one that permits, when Yards and Docks is not large enough, to charge the excess to general expense. I think the sections cover from 132 to 134.

Mr. KELLEY. Then if this appropriation should be insufficient to carry out the general scheme or general plan of accounting, any excess could be charged to the general expense account?

Admiral PARKS. In industrial yards.

Mr. KELLEY. So there could not be any deficiency in them?

Admiral PARKS. Not in the industrial yards, if they keep their accounts up to date, but the 30th of June may go by before they quite know whether they have a deficiency or not.

Mr. KELLEY. Does the Bureau of Supplies and Accounts claim that you have a deficiency in maintenance?

Admiral PARKS. Yes, I think they say I have a deficiency in last year's appropriation now of \$139,910.61.

Mr. KELLEY. What do you say about it?

Admiral PARKS. I have to say their figures must be right when I look at Hampton Roads. I find that they report an expenditure there of \$1,288,000 when I made an allotment of \$1,091,000.

DEFICIENCY.

Mr. KELLEY. You have a deficiency pending here of about \$500,-000 for maintenance.

Admiral PARKS. Worse than that. I have over \$4,000,000 in 1919.

Mr. KELLEY. I mean for this current year.

Admiral PARKS. This current year for anticipated deficiencies I requested \$2,500,000 and the Secretary sent it up for \$500,000. That \$2,500,000 is based upon this scheme of charging to general expense things that I believe ought to be charged straight to maintenance. It is to avoid the necessity for that loading of general expense.

Mr. KELLEY. Suppose the Bureau of Engineering had plenty of money?

Admiral PARKS. That does not happen to be the case. The other bureaus have not enough money now to be willing to have this practice continue.

Mr. KELLEY. But it is the law.

Admiral PARKS. It is the law.

Mr. KELLEY. So that legally there is no deficiency in your bureau.

Admiral PARKS. Legally there ought not to be a deficiency in maintenance.

Mr. KELLEY. Because whenever you are short the excess is charged to the industrial end of the yard?

Admiral PARKS. Yes.

Mr. KELLEY. So that if there is a deficiency it is somewhere else?

Admiral PARKS. The deficiency ought not to be in an industrial yard, but the Bureau of Supplies and Accounts has been working under difficulties in the last year or two. They have not had enough people to keep their accounts up near enough to date to avoid some of these deficiencies being created.

Mr. KELLEY. The thing is piled up so far before you know it that a deficiency is inevitable?

Admiral PARKS. It may not be more than \$10 or \$15 perhaps.

Mr. KELLEY. When you allot your appropriation does not that end your responsibilities under this item?

Admiral PARKS. I do not like to say quite how Congress looks at it. It may end my responsibility, but I have not corresponded with the commandants of the yard with that idea.

Mr. KELLEY. I do not mean that it ends your responsibility in so far as seeing that it is not overexpended is concerned, but so far as a deficiency is concerned. If, through the means of anybody else, a deficiency is created over and above the amount you have allotted, and against your instructions, does not that clear your skirts of any deficiency?

Admiral PARKS. I do not know whether it does or not. It may make an officer who is my representative responsible for it, without clearing me. I am not sure just how that is considered, but I am acting on this thing as though I were responsible for the expenditure, and I am endeavoring to use means to see that the expenditure shall not exceed the allotment.

EXPENDITURES AT NAVAL STATIONS.

Mr. KELLEY. Where are the overexpenditures above your allotments?

Admiral PARKS. Last year the principal one was Hampton Roads, and that is going to be the principal one this year.

Mr. KELLEY. What is that occasioned by?

Admiral PARKS. It was a kind of peculiar thing last year at Hampton Roads. The station was visited by members of the Naval Committee, and in conversation the commandant understood that it was agreeable to the members of the committee to have him spend what he considered necessary, and they would look out for him, but one of the members of that committee did not exactly recollect

it that way. He seemed to think that it was largely confined to a \$10,000 item for mosquito eradication on which he was going to give his assistance. Hampton Roads has been working on the basis of doing what is absolutely necessary, irrespective of the allotments. We have done everything we could to keep those expenditures down, and I think the Secretary this year said \$720,000, possibly \$750,000, would be the limit. The place ran along fairly well for the first two or three months.

Mr. KELLEY. You are speaking now of this item of maintenance?

Admiral PARKS. Yes; I am speaking of this item of maintenance. Then more men were sent there, colder weather came on, and coal was necessary. In December they said their money would be exhausted on the 21st of December, requiring \$40,000 more for the rest of the month. That was the time when I was making the next quarterly allotment of \$175,000. If they had a deficiency of \$40,000 in January, they took it out of that \$175,000 allotted to carry them up to the 31st of March. The day before yesterday I got a telegram that their quarterly allotment would be exhausted somewhere about the 21st of this month, fully expended on the 31st of January. Additional funds must be had by that time, or a deficiency will be created.

Mr. KELLEY. What did you reply to that?

Admiral PARKS. I have not replied to that yet. I thought there would be a hearing on the deficiency bill this week, and I might get some intimation ---

Mr. KELLEY. Of the policy of Congress?

Admiral PARKS. Of the policy on that \$500,000. If I do not get that \$500,000 in that deficiency bill pretty quick, I suppose we will have to run Hampton Roads. That means reducing the allotments to the industrial yards for the last quarter sufficient to cover the expenditures at Hampton Roads, which is nonindustrial, and put that additional at the industrial yards on general expense.

Mr. KELLEY. That probably would necessitate a deficiency to meet that later on.

Admiral PARKS. No; I think the general expense would be covered up. The only thing is that the department is not anxious to increase the general expense account; it desires to decrease it and get such a general affair down to definite facts. I do not like to be the one to help increase it, but under that law there is nothing else to do, or else create a deficiency.

Mr. KELLEY. What is the particular occasion for the increased expenditure at Hampton Roads over and above your allotment?

Admiral PARKS. We made too big a cut there, from a million and a quarter down to \$720,000. That is probably too large.

Mr. KELLEY. That is the allotment you made to Hampton Roads for maintenance?

Admiral PARKS. Yes.

Mr. KELLEY. That being a military establishment, practically the whole expense of maintaining and repairing it falls to you in one or the other of these two items, maintenance or repairs?

Admiral PARKS. Yes. Of course, I felt that the hospital ought to take care of a part of this, the training camp, the supply base, and aviation, but if one does not there is no reason why one of the others should not.

Mr. KELLEY. Could some of the items of repair have been eliminated?

Admiral PARKS. No. We have got them down pretty well this year. I have not made a personal inspection down there since the present organization was put in force, but there have been big reductions, particularly in the civilian personnel. I think the first month after Stanford went there he reduced the civilian pay roll over 25 per cent, the classified employees. He has cut the thing down perhaps as well as he can, and he is now asking for money with all the force that he knows how.

Mr. KELLEY. Suppose we take up the situation at Hampton Roads. How much have you spent there for grounds in the last six months?

Admiral PARKS. I have not the record up here for six months. I have only brought the—

Mr. KELLEY. What record have you there?

Admiral PARKS. I have brought the record up to July 1 for the year.

Mr. KELLEY. Next?

Admiral PARKS. No; the expenditures of the last fiscal year.

Mr. KELLEY. Up to last July. How much did you spend at Hampton Roads on grounds?

Admiral PARKS. I will read the nearest thousand, unless you desire otherwise.

Mr. KELLEY. Yes.

Admiral PARKS. \$179,000 on grounds; \$35,000 on buildings; \$221,-000 on furniture; \$293,000 on power plant; \$4,000 on water front; \$51 on floating equipment; \$156,000 on station equipment; \$68 on school; \$5,000 on receiving ships; \$267,000 on naval courts and boards.

Mr. KELLEY. I thought that was taken care of out of "Pay, miscellaneous."

Admiral PARKS. It ought to be.

Mr. KELLEY. That is one of the chief items in pay, miscellaneous, is it not?

Admiral PARKS. I have an idea there is a mistake there; that that does not belong on that line. \$267,000 does not seem right.

Mr. KELLEY. That is a tremendous sum of money for naval courts at one place for a year.

Admiral PARKS. I think that should be on the next line, for miscellaneous, without any expenditure under naval courts.

Mr. AYRES. Is that the next line?

Admiral PARKS. That is the next line. If those are brought down one line, that would be miscellaneous, \$267,000; classified employees, \$97,000; leave, \$122,000; holidays, \$32,000. Those would sound more reasonable. Transportation, \$22,000; electricity, \$75,000.

Mr. KELLEY. How much for water?

Admiral PARKS. I think that water is in the miscellaneous item.

Mr. KELLEY. Water is such a big item that it ought to be carried by itself, ought it not?

Admiral PARKS. Yes; but that system of designations has been adopted with a lot of things grouped under one that perhaps decreased the amount of accounting work but did not give all the information that one would like in the final reports.

Mr. KELLEY. That makes a total of how much?

Admiral PARKS. \$1,286,836.60.

Mr. KELLEY. That was their expenditures last year?

Admiral PARKS. That was their expenditure on an allotment of \$1,091,035.12.

Mr. KELLEY. Did you have a deficiency to take care of that?

Admiral PARKS. Yes; that is, the larger part of the apparent deficiency of \$139,916.

Mr. KELLEY. What was your coal bill there for the power plant?

Admiral PARKS. \$293,135.79.

Mr. KELLEY. Will you give your recommendations for next year for Hampton Roads?

Admiral PARKS. I believe that after what I heard yesterday it is just as well to have this appropriation cover the whole thing, without dividing up these items between the base, the receiving ships, the district, the supply base, aviation, and training camp, but carry them as they have done, and on that basis.

Mr. KELLEY. That is the basis this expenditure you have just detailed was made on?

Admiral PARKS. Yes.

Mr. KELLEY. That is the way you have been running it there?

Admiral PARKS. But I think that is too large.

Mr. KELLEY. Run down through the items again on the basis of next year. How much for grounds have they estimated?

Admiral PARKS. I have not divided it up like that.

Mr. KELLEY. Probably if we keep to this same schedule we could make a better comparative study of it.

Admiral PARKS. About \$150,000 for grounds.

Mr. KELLEY. That is quite a bit in excess of what you spent last year?

Admiral PARKS. No; we spent \$176,000.

Mr. KELLEY. You say this statement I have—

Admiral PARKS. That is their estimate.

Mr. KELLEY. They ask for \$100,000. Possibly this is your sheet of their estimates filled out.

Admiral PARKS. I am not sure I would make my estimate as they do.

Mr. KELLEY. You have your estimates for next year. Have you the total amount estimated for Hampton Roads right there handy?

Admiral PARKS. I have not made them up that way, but I should say grounds is too low there, \$100,000. I would make that \$150,000 and take \$50,000 out of buildings.

Mr. KELLEY. \$100,000 for buildings?

Admiral PARKS. I think they have estimated too much for buildings and too little for grounds. I would estimate that they would run the power plant on \$325,000, about \$111,000 less than this.

Mr. KELLEY. Is there some water front improvement that ought to go on there?

Admiral PARKS. Yes; but I have asked for that as a separate item, but I think that is cut out of the bill, \$55,000. That \$50,000 might be all right in there for station equipment.

Mr. KELLEY. What does that include, maintenance of station equipment and transportation?

Admiral PARKS. Transportation mostly.

Mr. KELLEY. You mean the fare of the boys from the ships up to the station?

Admiral PARKS. They do not do it that way. They send them in trucks and they operate one street car in the grounds.

Mr. KELLEY. That is what you mean by station equipment?

Admiral PARKS. Yes, the trucks and locomotive cranes and locomotive cars. I do not think the expenditure will be as large for that this year, because I do not think we will be doing as much new work. That receiving ship item, \$200,000, does not look like one that I ought to have. They have perhaps 2,000 people there in the receiving ship, and the heating, lighting, and care of that kind is all that ought to be charged to this appropriation.

Mr. KELLEY. What is this \$200,000 for?

Admiral PARKS. That is for pretty decided improvements I should say. It will not cost anything like that; \$50,000 ought to take care of that; \$50,000 will more than cover it.

Mr. KELLEY. Take care of the heating and lighting?

Admiral PARKS. And general preservation for 2,000 men.

Mr. KELLEY. Go ahead, Admiral.

Admiral PARKS. I think those other items are probably pretty fair.

Mr. KELLEY. About what total would you figure there for Hampton Roads?

Admiral PARKS. About \$1,150,000. That is about \$130,000 more than I had counted on for Hampton Roads.

Mr. KELLEY. You figure on about \$1,000,000 for Hampton Roads, and if they had \$1,000,000 for maintenance, you would have plenty?

Admiral PARKS. I believe we could get along all right with \$1,000,000 there; \$1,020,000 is what I had in mind, six months at \$110,000, and six months at \$60,000.

Mr. KELLEY. Then the amount required for all purposes for maintenance for Hampton Roads would run about \$1,000,000?

Admiral PARKS. \$1,020,000 is about what I had in mind.

Mr. KELLEY. How much do you figure will be necessary at Philadelphia?

Admiral PARKS. \$995,000.

Mr. KELLEY. And at New York?

Admiral PARKS. \$849,200.

Mr. KELLEY. And at Mare Island?

Admiral PARKS. \$645,000.

Mr. KELLEY. And at Norfolk?

Admiral PARKS. \$955,300.

Mr. KELLEY. That is \$300,000 more than they estimated for down there themselves?

Admiral PARKS. Yes. I do not think they have estimated enough.

Mr. KELLEY. Well, where are they short?

Admiral PARKS. "Transportation and watchmen." I think we have that a little bit wrong there. There is about \$250,000 less than that. We did not quite understand these figures.

Mr. KELLEY. How much is it?

Admiral PARKS. \$705,300.

Mr. KELLEY. That is \$100,000 more than they have estimated for?

Admiral PARKS. Yes. They are not sufficient on transportation and I have put in the watchmen that properly belong there, and that were left out.

Mr. KELLEY. They did not carry anything on "transportation and watchmen?"

Admiral PARKS. No; they had nothing on that.

Mr. KELLEY. "Transportation," what does that cover?

Admiral PARKS. That is transportation by motor equipment and railroad equipment.

Mr. KELLEY. I thought that came under "Station equipment?"

Admiral PARKS. They have only thirty-four thousand up here, so I put a hundred thousand down here.

Mr. KELLEY. What do you have to have? Here is "Station equipment," up there, and "Transportation" down here.

Admiral PARKS. I might just as well put that figure 1 before the 34. It is all the same thing. Those are the same item.

Mr. KELLEY. There is no "1" here to put up here.

Admiral PARKS. There is 34,000 up there, or 26,000, rather, up there. If you put the figure 1 before it, and make it 126,000 you will have it right.

Mr. KELLEY. You think there is a mistake there?

Admiral PARKS. They have altogether too little charged to their transportation.

Mr. KELLEY. If you follow the same rule that you have been stating, namely, that all locomotive engines, cranes, railroad tracks, automobiles, and trucks are maintained out of this fund, the amount they have got down for "station equipment" is insufficient.

Admiral PARKS. The amount for "station equipment" is insufficient. A hundred thousand ought to be put up there, so I just put it down here opposite this that is marked "Transportation." It ought to be in the other place.

Mr. KELLEY. All right. How about Boston?

Admiral PARKS. \$686,000.

Mr. KELLEY. That is \$70,000 more than they have asked for.

Admiral PARKS. Well, they haven't watchmen in there.

Mr. KELLEY. Who pays for the watchmen?

Admiral PARKS. General expense, but that is a specific maintenance item.

Mr. KELLEY. A specific maintenance item by law?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That is being charged up there to the construction work?

Admiral PARKS. Divided into protective work.

Mr. KELLEY. How much do you say this should be for Boston?

Admiral PARKS. I put down \$50,000 for it, but that is much less than they consider they need.

Mr. KELLEY. You just guessed off \$50,000?

Admiral PARKS. I have guessed \$40,000 off of their desire.

Mr. KELLEY. You are giving us a good example at guessing now. It will help us quite a bit.

Admiral PARKS. If you can guess upward instead of downward it will be all right.

Mr. KELLEY. All right. How about Great Lakes? You cut that out entirely?

Admiral PARKS. Well, pretty nearly all; all except the work to take care of the district.

Mr. KELLEY. Well, we haven't got to the district yet.

Admiral PARKS. I mean 9, 10, and 11, which is Great Lakes.

Mr. KELLEY. How much is that?

Admiral PARKS. That leaves \$215,000.

Mr. KELLEY. It takes out what?

Admiral PARKS. \$260,000.

Mr. KELLEY. The third district?

Admiral PARKS. That is the one that I am not ready to say much about.

Mr. KELLEY. Are you about ready to say that the third district should be abolished?

Admiral PARKS. Yes; as a district I am, but I am in the minority on that.

Mr. KELLEY. But I mean, as an expense, isn't it an additional unnecessary expense, from the standpoint of maintenance?

Admiral PARKS. Operations does not think so.

Mr. KELLEY. I am not asking about Operations. I am asking Bureau of Yards and Docks, who have direct charge of this expenditure, can't this expense be saved by consolidating this district with chief navy yard in each district?

Admiral PARKS. I believe it could, but there is some kind of a military value to the districts that I do not understand.

Mr. KELLEY. But from an economic standpoint, from a standpoint of administration of whatever craft, or grounds, or buildings, or stations of any kind which they use, it could be consolidated with the chief navy yard and the expenses, as far as your bureau is concerned, eliminated?

Admiral PARKS. I believe it would reduce the expense and the trouble tremendously, but I know that Operations has an entirely different idea in regard to it, and as it is an Operations affair rather than Bureau of Yards and Docks, I hesitate to set up my opinion against others on that thing, but I would be pleased to see the third district consolidated with the New York yard. It would save me a lot of trouble.

Mr. KELLEY. What saving would be made? Let us start at the top of this sheet and see whether or not items could be eliminated. If the third district business was all transacted from the navy yard at New York, would there be any specific item necessarily carried for grounds?

Admiral PARKS. I think so, at present.

Mr. KELLEY. If it is in the navy yard, you are taking care of all grounds in the navy yard, are you not?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Why would you need additional ground?

Admiral PARKS. This is a kind of basin where some of the district craft are handled at the present time, I think.

Mr. KELLEY. Where are they being handled now? There is only \$2,500 put down here. It couldn't be a very large enterprise.

Admiral PARKS. I do not recall the name of that basin now, but it is on the Brooklyn shore.

Mr. KELLEY. It is a place where they use the yacht of the commandant—tie it up, or something like that?

Admiral PARKS. If he has a yacht it would be placed there; yes.

Mr. KELLEY. Is that a pier charge for the yacht?

Admiral PARKS. It is a boat club.

Mr. KELLEY. It is what?

Admiral PARKS. It is a boat club. It is a common name, but I can not remember it.

Mr. AYRES. Where is it located?

Admiral PARKS. It is just down below Brooklyn on the shore, going around toward Long Beach. I can not think of the name of that basin, but that is a subbase proposition.

Mr. KELLEY. What is kept there?

Admiral PARKS. All of the district craft.

Mr. KELLEY. What are they?

Admiral PARKS. I haven't a list of them at present.

Mr. KELLEY. From memory, what do you recollect as being there?

Admiral PARKS. They are subchasers and things of that kind; some of the craft that are ready for sale, but have not been disposed of; old yachts, and things like that. The last time I looked at it, I think there were nothing but yachts and tugs and subchasers in the basin. The basin is one with rather old piers in it.

Mr. KELLEY. Well, who owns the piers?

Admiral PARKS. The ones from whom we lease.

Mr. KELLEY. It can not be very valuable if this \$2,500 is the entire amount.

Admiral PARKS. Well, we have about 10,000 in there, I think; no. We haven't anything there for water front, but there is very little land. It is nearly all piers.

Mr. KELLEY. Is this maintenance, rental for the piers?

Admiral PARKS. No. It is keeping the stuff in proper shape for use.

Mr. KELLEY. Is it the pay of some one man to watch it?

Admiral PARKS. It ought to be watchmen and cleaning up.

Mr. KELLEY. How did it get up there under the head of "grounds"?

Admiral PARKS. Well, that is one place that watchmen might be charged.

Mr. KELLEY. So you do not really know what it is for?

Admiral PARKS. No. I think that is the only place where the district has grounds at the present time, but buildings is different. That takes in the offices and all expenditures at places like Buffalo, Rochester, and Dunkirk, whatever inspection officers are in that third district have their incidental expenses taken care of through the district headquarters. Some of them are construction and repair inspectors, some engineering, and some ordnance.

Mr. KELLEY. Does this \$70,000 for maintenance of buildings include rent?

Admiral PARKS. No. That includes janitor service in them and lighting.

Mr. KELLEY. Rent is an additional charge and is paid out of "Pay, miscellaneous"?

Admiral PARKS. "Pay, miscellaneous," I think covers that.

Mr. KELLEY. Doesn't it also cover all expenses of naval districts, "Pay, miscellaneous"?

Admiral PARKS. "Pay, miscellaneous" specifically covers the expenses of naval districts.

Mr. KELLEY. Then why are you estimating anything for it?

Admiral PARKS. It is a question whether this ought to be called district expense or whether they have just been turned over after the district was organized, to manipulate them through the district. These are old affairs, long before the districts were organized.

Mr. KELLEY. But they are used for district business?

Admiral PARKS. They are used for the construction business or for the hull and the machinery.

Mr. KELLEY. But the district is an organization through which certain departmental business is administered, on its way to Washington. It goes through the district offices, doesn't it, and then on to Washington?

Admiral PARKS. I am not absolutely clear on it. We are getting out some new regulations that will be a little more clear on that I think, but as near as I can tell at the present time, the principal duty of the district is to take care of the defense features of the district, including the officers that are assigned to that district, and the personnel: the reserve.

Mr. KELLEY. Now, before the war did you take care of any of these expenses that are now charged against district offices?

Admiral PARKS. I think that before the war there were no district offices separate from the maintenance of a suitable activity in the district.

Mr. KELLEY. You do not answer me directly, though.

Admiral PARKS. There were not separate expenses of that kind.

Mr. KELLEY. There were not separate expenses of that kind?

Admiral PARKS. No, sir.

Mr. KELLEY. Well, there were not separate expenses, but were there actual expenses which were included in the navy yard accounts, paid by you—keep that in mind.

Admiral PARKS. There were some expenses out of the maintenance office.

Mr. KELLEY. What I want to get at, we do not want to appropriate money for "pay miscellaneous" for this purpose, and then appropriate money under "yards and docks" for the same purpose. You show a very commendable disposition to help us, but it is very difficult, I understand, to segregate all these. Now, what I want to get at is this: What is this \$70,000 paid out for? It isn't rent, because that is paid out of "pay miscellaneous." It is janitor service, isn't it?

Admiral PARKS. Well, I have a great deal of difficulty in finding out just what is being done in the districts.

Mr. KELLEY. You say you have a great deal of difficulty?

Admiral PARKS. I have a great deal of difficulty in getting the detail of it.

Mr. KELLEY. Don't you o. k. any of these accounts at all?

Admiral PARKS. Well, I haven't the returns from that district in detail.

Mr. KELLEY. Of course, they spend the money on your allotment?

Admiral PARKS. I hope so.

Mr. KELLEY. That is what I mean.

Admiral PARKS. For a while they did not.

Mr. KELLEY. What do you mean by that?

Admiral PARKS. I made an allotment and they spent what they thought was necessary. It was not at all definite as to what authority the bureau had over the district.

Mr. KELLEY. You do not know what the \$70,000 that they are estimating for is to be spent for at all?

Admiral PARKS. I can not give you that detail right now.

Mr. KELLEY. Here is \$20,000 for power plant in the third district. Where is that going to be spent?

Admiral PARKS. Well, I am estimating that that is a part of the cost of operating the power plant at the supply base.

Mr. KELLEY. At Hampton Roads?

Admiral PARKS. No; at South Brooklyn. In view of the fact that the district officers occupy the whole of the top floor of one of the two large buildings, \$10,000 looks like a proper appropriation for cost of operating that power plant.

Mr. KELLEY. That would be heat and light furnished to the district headquarters, probably?

Admiral PARKS. Yes, to that floor of the building.

Mr. KELLEY. That is in the navy yard, is it?

Admiral PARKS. No, that is in South Brooklyn.

Mr. KELLEY. But it is owned by the Government?

Admiral PARKS. The storehouse is owned by the Government.

Mr. KELLEY. These are storehouses down on the piers?

Admiral PARKS. No; they are not on the piers. They are a block back from the water front.

Ulner Park Marine Basin is the name of that basin.

Mr. KELLEY. That is the first item?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Here is a charge of \$160,500 in the third district for "station equipment." What is that?

Admiral PARKS. Well, we are paying for all of the automobiles at all of the inspection offices through the third district, whether they are in Buffalo, or where they are.

Mr. KELLEY. Are there \$160,000 worth of automobile repairs in one district?

Admiral PARKS. Pretty nearly it. It cost us \$3,400 for two automobiles of the engineering inspection office at Buffalo last year.

Mr. KELLEY. For repairs?

Admiral PARKS. No, that includes chauffeurs and maintenance.

Mr. KELLEY. That includes gasoline and chauffeur?

Admiral PARKS. Yes, sir; and the garage.

Mr. KELLEY. The repairs would come over in another column?

Admiral PARKS. No. They all come here. All of the automobile expenses come under maintenance.

Mr. KELLEY. That is an arbitrary arrangement, too, isn't it?

Admiral PARKS. Well, it may be arbitrary but that is in accordance with the principle laid down.

Mr. KELLEY. The law specifically provides that transportation shall come out of this fund?

Admiral PARKS. Yes. The law specifically provides that now.

Mr. KELLEY. If you did not have this district organization, would you have this same charge?

Admiral PARKS. No. We would have a less charge.

Mr. KELLEY. Why?

Admiral PARKS. Because there would be one less commandant and staff.

Mr. KELLEY. How many automobiles would that eliminate?

Admiral PARKS. I think that would eliminate a half a dozen at least.

Mr. KELLEY. Does that mean a half a dozen chauffeurs also?

Admiral PARKS. It did, but some of them have been driving their own cars this last year. It was either drive their own car or get along without it.

Mr. KELLEY. You cut that off did you?

Admiral PARKS. We have been pooling the cars, instead of having separate assignments, to reduce the number in operation. You see we have no authority to buy cars. We have specific instructions not to buy cars, and the cars are wearing out. It may be a little difficult after another year to find cars enough for the most urgent business, to say nothing about that that is only facilitated, to a certain extent, by the use of the cars.

Mr. KELLEY. Well, here is an item of \$44,800 miscellaneous. That is quite a large miscellaneous item?

Admiral PARKS. Yes.

Mr. KELLEY. What is that?

Admiral PARKS. I can not tell you what that is.

Mr. KELLEY. You do not know anything about that at all?

Admiral PARKS. No. I can not even guess at that.

Mr. AYRES. They sent you in these estimates, did they, without sending you in the items of these miscellaneous things?

Admiral PARKS. Oh, I get some items when I call for them, but I do not get all the items unless I do call for them.

Mr. AYRES. They do not send in the items at the time they send in the estimates?

Admiral PARKS. No, sir. You see, we have a certain consolidated sheet for them to consolidate these itemized estimates into and I am giving you the consolidated items now.

Mr. KELLEY. It is your understanding then that in these naval districts, classified employees—that would be clerks, are paid for out of "Pay, miscellaneous"?

Admiral PARKS. They ought to be.

Mr. KELLEY. They have an item of \$100,000 for classified employees. What about that?

Admiral PARKS. I think that there are more classified employees being charged to "maintenance," than should be.

Mr. KELLEY. Well, why should any of them be?

Admiral PARKS. If the appropriation of "Pay, miscellaneous" the Undersecretary's office were large enough, they would not be.

Mr. KELLEY. That is no reason. Let the department that is responsible for paying a particular service get enough to pay for it or come back for a deficiency, rather than go to some other department and load on some, so that Congress will never know exactly how much we are spending for any purpose. Isn't that a bad practice?

Admiral PARKS. I do not like the practice.

Mr. KELLEY. Well, this item of \$100,000 should not be in here at all, should it?

Admiral PARKS. I think that ought to be in "Pay, miscellaneous."

Mr. KELLEY. Absolutely. Now, what about loss by reason of a month's vacation?

Admiral PARKS. Well, that is part of the "classified."

Mr. KELLEY. Should that go with the hide?

Admiral PARKS. It should.

Mr. KELLEY. How about "holiday?"

Admiral PARKS. That is part of the same thing.

Mr. KELLEY. That should go to "Pay, miscellaneous?"

Admiral PARKS. I think the whole thing should; that is, if I know what that money is being expended for.

Mr. KELLEY. But you do not know. Now, are you asking us to appropriate any of the moneys asked for by the third district on this sheet which you have given me here, entitled "Detailed statement of estimates, maintenance, Bureau of Yards and Docks, for 1922"?

Admiral PARKS. I am not asking you to appropriate for any individual item. I am asking for a lump-sum item.

Mr. KELLEY. How much?

Admiral PARKS. \$8,500,000, which I will then divide in accordance with the conditions prevailing in June.

Mr. KELLEY. Yes; but, of course, Congress needs to know a little about how that is going to be applied, in advance.

Admiral PARKS. I would not like to say that I was going to apply \$100,000 to one station now, and have conditions such that it was only advisable to allot \$80,000 to that station in June.

Mr. KELLEY. You would not want to be bound to absolutely applying any specific sum to any station?

Admiral PARKS. Not on this kind of an appropriation.

Mr. KELLEY. How much are you asking for, for the third district?

Admiral PARKS. Well, it is only as it may develop after I get the detailed information later, and as I may be ordered to do.

Mr. KELLEY. Out of the \$8,500,000 that you are asking for, how much of it is intended to go to the third district?

Admiral PARKS. None is the intention.

Mr. KELLEY. You have not put anything down for the third district in your request for eight and a half million dollars?

Admiral PARKS. It is my intention not to expend anything in that district, if I am not ordered to; but if I am ordered to, I shall have to do so.

Mr. KELLEY. Except as the law requires you to do?

Admiral PARKS. Well, the law requires me to obey orders.

Mr. KELLEY. All right. How much are you allotting for Washington?

Admiral PARKS. Well, I think from this morning's conference that those first three items in Washington are properly chargeable to "ordnance appropriation."

Mr. KELLEY. "round, buildings and furniture?"

Admiral PARKS. Rounds, buildings and furniture, with possibly \$10,000 properly chargeable against "maintenance" on account of the activities other than ordnance, in the gun factory; the marine railway, buildings, etc.

Mr. KELLEY. That is almost a negligible part, isn't it, of the yard?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Why couldn't you, to all intents and purposes, regard the Washington yard as an ordnance plant out and out?

Admiral PARKS. I think it is practically that anyway.

Mr. KELLEY. Then we could eliminate the column for Washington complete, couldn't we?

Admiral PARKS. Excepting "classified" and "station equipment." The classified is allocated in the Washington yard for other activities; the public works office. I suppose that I ought to carry it under "Washington yard."

Mr. KELLEY. You mean that part of your department is located down there?

Admiral PARKS. The part that is taking care of activities at Bellevue and Arlington; the Naval Observatory, if anything is being done there; and the hospital—any public works activities in this neighborhood.

Mr. KELLEY. "Classified employees" are down there.

Admiral PARKS. "Classified employees" are down there.

Mr. KELLEY. Are they actually there?

Admiral PARKS. They are actually there. The only thing is that I have not a civil engineer public works officer down there. We have a civil engineer assistant to the public works officer, but I think that \$30,000 miscellaneous and \$40,000 classified employees and \$30,000 leave and \$12,000 holiday is probably a fair estimate for that office down there.

Mr. KELLEY. Doesn't the ordnance appropriation carry an appropriation for all ordnance stations for all purposes?

Admiral PARKS. Yes; but they do not carry for this public works office.

Mr. KELLEY. Don't they carry for "grounds, buildings, and furniture?"

Admiral PARKS. And that is the reason that I cut out those three items.

Mr. KELLEY. I thought you left those in.

Admiral PARKS. No; I cut them out. Those are the Washington Navy Yard Gun Factory items.

Mr. KELLEY. Your account here is charged with the classified employees incident to your own work in Washington and points near by?

Admiral PARKS. That is outside of the bureau.

Mr. KELLEY. These employees at the Washington yard ordinarily would be stationed at these other works, would they?

Admiral PARKS. Yes; but of course we have been doing a tremendous lot of work at the Washington yard. Our principal work has been at the Washington yard for the last two or three years.

Mr. KELLEY. I thought all the classified employees in the District of Columbia were paid in the legislative, executive, and judicial bill.

Admiral PARKS. Not on public works.

Mr. KELLEY. That is an exception. Are not the clerks in your office paid so?

Admiral PARKS. The clerks in my office are.

Mr. KELLEY. Why should there be any difference?

Admiral PARKS. I suppose it is because the Washington yard is an industrial plant.

Mr. KELLEY. But if these people that you are employing down there have no direct connection with the yard, they are practically in your office.

Admiral PARKS. Oh, they have been on the public works construction of the yard. Inspectors, draftsmen on the that work. Just the same as a similar lot of employees at Philadelphia.

Mr. KELLEY. Then what you are asking for here is a sum under "Maintenance, Bureau of Yards and Docks," to take care of the classified employees under your jurisdiction in the Washington Navy Yard—the public works.

Admiral PARKS. That is, they are located there, but their work may be up at Bellevue or Alexandria.

Mr. KELLEY. They have nothing to do with the gun factory operation?

Admiral PARKS. Not with the operation of the gun factory; simply with the erection of public works in the yard.

Mr. KELLEY. That of course is a proper charge against this?

Admiral PARKS. That is a proper charge against this, and that comes under the limitation of \$1,300,000 for classified employees.

Mr. KELLEY. Here is "Miscellaneous" in the Washington yard, \$120,000. What is that?

Admiral PARKS. Well, I cut that down to \$30,000 as an estimate of such miscellaneous work as they might require, unclassified, to enable the classified to take care of their inspection work.

Mr. KELLEY. Is this miscellaneous item running all through "maintenance," almost wholly for extra clerks or for increasing the clerical force?

Admiral PARKS. No; it isn't for that at all. Anything that is clerical I believe is put down under "classified."

Mr. KELLEY. I thought you said you wanted to reduce it from \$120,000 to \$30,000, to take care of "extra clerks?"

Admiral PARKS. No; the miscellaneous work that enables the classified clerks to take care of their work. Now, that may require material or common labor, to enable these other people to take care of the work.

Mr. KELLEY. Just tell me what you mean by that?

Admiral PARKS. If they are staking out a building, it is necessary to cut some stakes, or buy some stakes and to have a man to hold the tape or drive the stakes, to do that work, you could get common labor. Take him out on the job for half a day probably.

Mr. KELLEY. Then, is this item running all the way through as "miscellaneous" practically unclassified labor?

Admiral PARKS. It is unclassified. Classified can not be put under that properly, and I believe that that probably is applied to that. I do not think that in fact is being charged up anywhere except as "classified."

Mr. KELLEY. Now, take it in the New York yard, they have about \$166,400 charged up to "classified," \$300,000 to "miscellaneous." Would they have \$300,000 worth of work of that kind? Twice as much as the classified?

Admiral PARKS. Oh, yes; there is no relation between "miscellaneous" in the ordinary navy yard and "classified" service in that yard.

Mr. KELLEY. Well, there could not be \$300,000 worth of unclassified labor that was not performed by mechanics or somebody.

Admiral PARKS. Well, I think perhaps we are talking on two different lines. I have been using the term "classified employees" as one prevailing up to a few years ago, when the civil service designated mechanics as "classified." That is, clerical, draftsmen, technical people. Those are the ones that I have been talking about as "classified"; but for the fact, under the present civil-service rules, mechanics are classified; laborers are unclassified; but the limitation in our law as to the amount of classified to be employed continues from the time before the civil service had classified mechanics, and it has never been applied as though it included mechanics. If it did, it would be entirely out of proportion.

Mr. KELLEY. Now, here is New York, \$975,000 is the total amount that they ask for. Now, of that sum \$300,000, or one-third of it, is "miscellaneous."

Admiral PARKS. Well, those are items that do not come under any of these specific heads.

Mr. KELLEY. I know; but it is so large. They detail a small item like \$1,200 for fuel plants, \$1,200 for water front, and \$6,000 for furniture, and then jump to an item of \$300,000 and call it "miscellaneous." Of course, we have to have some sort of an itemization of an item of \$300,000.

Admiral PARKS. Well, here are some of the items given in detail:

Miscellaneous material for repairs to yard flags.

Cost of inspecting material purchased on requisitions.

Laundry service; cost of inspecting electrical material; cost for heating miscellaneous buildings; cost for inspecting material for track construction; coal for heating public-works buildings.

Mr. KELLEY. Those are not at all illuminating.

Admiral PARKS. That shows about how they make up the miscellaneous on that class of items.

Mr. KELLEY. How much was this total on that page that you are reading from?

Admiral PARKS. That dozen or so that I gave you is a total of \$5,000.

Mr. KELLEY. I can understand that. If this were an item of \$5,000 it would be simple, but here is an item of \$300,000 for one year.

Admiral PARKS. Here is another one that is not so clear.

Mr. KELLEY. Then it is pretty bad.

Admiral PARKS. It ought to be under "grounds."

Mr. KELLEY. If it is less clear than the ones you just read, it is useless.

Admiral PARKS. It ought to be under "grounds." "Cleaning, clearing, and removing and disposing of yard refuse—." I think I am maligning them there. I think that is straight. Miscellaneous supplies for yard fire department \$1,900. Electric current for running storehouse.

Mr. KELLEY. I thought the fire department came under an item by itself up there under "grounds."

Admiral PARKS. It ought to be under "grounds."

Mr. KELLEY. Then why make "miscellaneous" out of it?

Admiral PARKS. It ought not to be under "miscellaneous." That ought to be very much reduced.

Mr. KELLEY. The miscellaneous item should be just a small item, which you can not itemize and plan in advance.

Admiral PARKS. Probably the trouble is with the accounting system. The accounting officers and the public works officer have not yet gotten together enough to get these items down definitely.

Mr. KELLEY. How much are you allowing for Washington?

Admiral PARKS. \$172,000.

Mr. KELLEY. You are leaving in the "miscellaneous," are you?

Admiral PARKS. Yes, sir.

Mr. KELLEY. \$120,000?

Admiral PARKS. No. \$30,000. It is probably large. Charleston looks reasonably good.

Mr. KELLEY. \$325,000 for Charleston?

Admiral PARKS. Yes.

Mr. KELLEY. How about the training station at Newport, \$250,000? That will go out entirely, will it not?

Admiral PARKS. Yes. That goes out.

Mr. KELLEY. What is the total of Pearl Harbor?

Admiral PARKS. \$349,000. That item on power plant ought to be increased from \$1,000 to \$30,000.

Mr. KELLEY. What item?

Admiral PARKS. Power plant. \$12,000 for watchmen.

Mr. KELLEY. How do you fix that power plant at \$12,000?

Admiral PARKS. Power plant \$30,000.

Mr. KELLEY. Yes: \$30,000.

Admiral PARKS. That is from my recollection. I come from that station.

Mr. KELLEY. If you had not been there, you would not have known anything about it?

Admiral PARKS. I would not have estimated that as I have to-day, if I had not personal knowledge of it. The same way with the watchmen. I knew how many watchmen we have on the place.

Portsmouth ought to have \$15,000 watchmen item added, making \$255,000.

San Diego looks pretty good—reasonably good—\$168,500.

Mr. KELLEY. Why do you say it looks good?

Admiral PARKS. Because that is a station that we are building up and its expenditures have not been stabilized at all.

Mr. KELLEY. How many employees have you there?

Admiral PARKS. Fifty at present; practically one-fourth of the public-works money for this year is for San Diego. Practically one-fourth of the money available for public works is used at San Diego.

Mr. KELLEY. You have not spent any of it, have you?

Admiral PARKS. Oh, yes; I have spent some of it.

Mr. KELLEY. How much of it?

Admiral PARKS. I have one \$720,000 contract just about to start; ready a couple of months ago, and another one of \$702,000, that has been at work a month or so. A marine railway, a little over \$200,000, just awarded. Those are new things, the hospital there also.

Mr. KELLEY. Have you started the training school?

Admiral PARKS. No. I hope to have the plans ready for that within two or three weeks now.

Mr. KELLEY. Do you want any money for that this year?

Admiral PARKS. Yes.

Mr. KELLEY. In addition to what you got last year?

Admiral PARKS. Yes. I would like the million that we asked for.

Mr. KELLEY. How much for San Diego?

Admiral PARKS. \$168,500.

Newport is all right, if you cut Melville out. That is not an estimate for fuel-oil station. It is for public works.

Mr. KELLEY. The next column is Newport torpedo station.

Admiral PARKS. Well, I don't think we had better have anything there. Just that one Newport item will cover the whole thing, \$164,426.40.

Mr. KELLEY. What do you want that for?

Admiral PARKS. That is for the public works, for the whole former second district.

Mr. KELLEY. Where will the money be spent?

Admiral PARKS. On Gould Island; on the torpedo station; on the hospital at the War College.

Mr. KELLEY. I thought the torpedo station was taken care of by the Bureau of Ordnance?

Admiral PARKS. No. Public works. Under construction. We are building the piers.

Mr. KELLEY. This is new construction?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That would have to be authorized?

Admiral PARKS. It has been authorized. This is only on the work that we have previously authorized.

Mr. KELLEY. And in progress now?

Admiral PARKS. Yes, sir.

Mr. KELLEY. New work?

Admiral PARKS. Yes, sir. We haven't much in there for new work at Newport this year.

Mr. KELLEY. Your suggestion was to drop out Melville?

Admiral PARKS. Drop out Melville.

Mr. KELLEY. But the total, \$164,000, remains the same?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Then the next column you cut out entirely?

Admiral PARKS. Yes; but New Orleans did not have anything. I have put in \$113,450 there.

Mr. KELLEY. What is the reason they did not ask for anything?

Admiral PARKS. We did not get their returns.

Mr. KELLEY. Have you got them yet?

Admiral PARKS. No, sir.

Mr. KELLEY. How do you know how much you need?

Admiral PARKS. I have estimated that from the condition of previous expenditures.

Mr. KELLEY. \$113,450?

Admiral PARKS. \$113,450. Key West ought to have \$5,000 for watchmen added.

Mr. KELLEY. That is about all they need at Key West—is watchmen?

Admiral PARKS. That is just a different point of view. I haven't had a chance to go down and look at it myself.

Mr. KELLEY. Suppose we did not appropriate for the torpedo base there this year?

Admiral PARKS. If we do not do that, I fear that a good share of what we have done will go out.

Mr. KELLEY. That would not be a great disaster would it?

Admiral PARKS. Well, it would be a million dollars wasted, I suppose.

Mr. KELLEY. Is there as much there as a million dollars?

Admiral PARKS. Yes, sir. I suppose that we might have some claim of damages on the part of the contractor.

Mr. KELLEY. That comes up a little later, however.

Admiral PARKS. Yes, sir.

Mr. KELLEY. How much do you say at Key West?

Admiral PARKS. \$133,540.

New London, I would leave as it is, \$113,000.

Guantanamo, I would add watchmen, \$12,000, making it \$105,611. The War College I would leave out.

Mr. KELLEY. This \$85,000 at the War College is covered in the Newport item?

Admiral PARKS. I think it pretty nearly duplicates the one that you had in "Navigation" for it.

Mr. KELLEY. It is included in this \$164,426 over here also?

Admiral PARKS. No. I believe it was covered in that item and read yesterday.

Mr. KELLEY. In "Navigation"?

Admiral PARKS. Yes, sir.

Cavite, \$86,400, I want to change that to \$90,400.

Mr. KELLEY. What do you want to increase it for?

Admiral PARKS. For watchmen. I would like to see all the watchmen paid specifically under "maintenance."

Mr. KELLEY. What would they do if you increased that? Would they just add a few more watchmen?

Admiral PARKS. No. I do not think they will add a few more watchmen. I think they will decrease them. That is what we are going after a good deal.

Mr. KELLEY. The fourth district; what is the fourth district, Philadelphia?

Admiral PARKS. That is Philadelphia.

Mr. KELLEY. Now, that is so nearly connected with the Philadelphia yard that that could be disregarded altogether, couldn't it?

Admiral PARKS. It ought to be, but I think at present they are occupying separate offices in the yard.

Mr. KELLEY. Quite likely, but is it necessary?

Admiral PARKS. I don't think so. I think they will get them all together pretty soon.

Mr. KELLEY. The fourth district, then, there will be nothing?

Admiral PARKS. Yes.

I have left Guam \$62,500.

Mr. KELLEY. What have we at Guam now?

Admiral PARKS. Oh, we have a little something there. We have just sent a lot of guns out there.

Mr. KELLEY. Well, we are not dealing with getting money for them.

Admiral PARKS. That can be done without any money, I believe.

Mr. KELLEY. What guns have we sent out there, or is that a great international secret?

Admiral PARKS. Perhaps I would say too much about Guam.

Mr. KELLEY. Possibly the Japs will move out of Japan if they know that we have put a gun on Guam.

Admiral PARKS. Well, I have a few items in here for powder magazines, etc., that perhaps are hooked up with those guns.

Mr. KELLEY. I thought the powder magazine came with the Bureau of Ordnance?

Admiral PARKS. No, sir. All the public works items are for new construction.

Mr. KELLEY. I thought this was an item for maintenance?

Admiral PARKS. They are not in here.

Mr. KELLEY. I thought you meant these?

Admiral PARKS. No. There is only a small amount there.

Mr. KELLEY. San Francisco Training Station will be cut out entirely?

Admiral PARKS. That will be cut out entirely.

Olongapo I have left that \$53,200. I think I have an item in public works for Olongapo that really ought to be under "maintenance." It is really repairing the power plant, but the condition is such that I thought I would suggest it as a separate item in the public works \$20,000.

Mr. KELLEY. If we cut it out of the special item, it would come in here would it?

Admiral PARKS. Yes, sir.

Mr. KELLEY. There probably will be leeway enough?

Admiral PARKS. I would rather see it in the special —

Mr. KELLEY. We can cut it out of the special fund and then we will find leeway enough to put it in this column.

Admiral PARKS. It puts me in bad if you leave it that way. They think that I ought to have done it six months ago.

Mr. KELLEY. Now, what about the Naval Academy? Why should any of this be carried here?

Admiral PARKS. Well, that is public works. I have got a little more work to do there.

Mr. KELLEY. Station equipment.

Admiral PARKS. Well, these are passenger automobiles.

Mr. KELLEY. Even at the schools do you have charge of the automobiles?

Admiral PARKS. They put on everything except ordnance, medicine and surgery.

FOR UPKEEP OF AUTOMOBILES AND TRUCKS.

Mr. KELLEY. This \$34,403 is upkeep on trucks and automobiles?

Admiral PARKS. Upkeep on trucks and automobiles and classified employees. They are public works; classified employees for the new works.

Mr. KELLEY. New buildings that are going up over there?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Total \$48,000.

Admiral PARKS. Total \$48,000. Tutuila \$48,000, I think should stand.

Mr. KELLEY. Are we fortifying that place too?

Admiral PARKS. Not yet. At least, I have not been informed that we have.

San Pedro is a place that we are occupying by permit from the city of Los Angeles.

Mr. KELLEY. Who ever authorized you to establish a station at San Pedro?

Admiral PARKS. I don't know who did it.

Mr. KELLEY. Well, when was it done?

Admiral PARKS. 1917, I guess.

Mr. KELLEY. Have you the law in mind?

Admiral PARKS. No. It is a war proposition.

Mr. KELLEY. Well, who ever made a submarine base out of it?

Admiral PARKS. Well, it was designated a submarine base. There isn't any.

Mr. KELLEY. Congress has never created a station there.

Admiral PARKS. No, sir.

Mr. KELLEY. Now, are you making improvements on it?

Admiral PARKS. No; just using the pier shed on this pier.

Mr. KELLEY. Now, with those funds out of which it was taken care of in the first place having been exhausted, what authority have you to spend any more money there without a special appropriation?

Admiral PARKS. Well, until the declaration of peace, I think we have authority under the war powers.

Mr. KELLEY. Well, you would, if you had the money; but where is the money?

Admiral PARKS. Well, if I haven't any money, I can't do it.

Mr. KELLEY. We did not appropriate any money for this place last year, did we?

Admiral PARKS. No. None was appropriated, as far as I know, at any time for this place. I do not think there has ever been any appropriation for San Pedro. This matter of a submarine base at San Pedro was up last year, but that was a site for a permanent base.

Mr. AYRES. Is there any necessity for a submarine base at San Pedro?

Admiral PARKS. Well, nearly everybody who has to do with torpedo practice apparently believes that it is the best place for the purpose.

Mr. KELLEY. Of course you are not an expert in strategy?

Admiral PARKS. No, sir; not on strategy.

Mr. AYRES. Perhaps it is a little unfair to ask you this.

Mr. KELLEY. How far is this place from San Diego?

Admiral PARKS. It is about 123 miles by road. A little over 100 miles by water, I guess, but the principal point appears to be that kelp does not interfere and there is a sand beach of proper depth on which your torpedoes land and you can recover them.

Mr. KELLEY. This is the place where the expert said that in case of war you would have to move away?

Admiral PARKS. I don't know whether they said we would have to move away.

Mr. KELLEY. It is right out on the open roadbed there, isn't it?

Admiral PARKS. It is just inside of the breakwater. There is nothing between you and the sea but the breakwater.

Mr. KELLEY. There is no harbor there at all, except one that is made?

Admiral PARKS. One that is made; yes, sir; just at the inner edge of the breakwater.

Mr. KELLEY. Not a very safe place in war time?

Admiral PARKS. Well, if the ships got over near there I think it would be in danger; but the joint committee is going to report on it shortly.

Mr. KELLEY. You do not ask us to put in anything for San Pedro for any purpose, do you?

Admiral PARKS. No, sir.

Mr. KELLEY. So we can cut out this column.

Admiral PARKS. I think it is a pretty useful place down there.

Mr. KELLEY. Yes; I imagine so for commercial purposes for the people out there. Now, Gulfport, when did we get Gulfport?

Admiral PARKS. Well, I kind of cut Gulfport out.

Mr. KELLEY. Nothing for Gulfport?

Admiral PARKS. No, sir. San Diego. I cut that out.

Mr. KELLEY. That belongs to the Bureau of Supplies and Accounts?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Fort Worth. When did we get that?

Admiral PARKS. Cut that out. We have been building there for a couple of years.

Mr. KELLEY. San Diego air. What is that?

Admiral PARKS. I don't know. I think it is possible that I had better put that \$2,500 back for Fort Worth, for automobiles.

Mr. KELLEY. Well, that is a small item.

Mr. AYRES. What have we to use automobiles for?

Admiral PARKS. The plant for the manufacture of helium; \$250,000 in the bureau, and for minor sites about \$198,000 more.

Mr. AYRES. That is for the classified employees outside of the city of Washington?

Admiral PARKS. Yes, sir; for these Alaska stations.

Mr. KELLEY. How much did you say it was?

Admiral PARKS. \$198,000 for minor stations and \$250,000 for the bureau. I got \$200,000 for the bureau this year, and I am asking for \$250,000 now.

Mr. KELLEY. Have you a list of the minor stations at the various places?

Admiral PARKS. No. They vary from month to month.

Mr. KELLEY. \$198,000 will employ about how many?

Admiral PARKS. It would take care of about a hundred people.

Mr. KELLEY. They are scattered wherever the Navy has any activities?

Admiral PARKS. From Alaska to Bar Harbor. Some of these places on the lakes we get on a 90-day contract. Some of them three months and some five months. At the present time I have, I should say, about 25 of those outside places going on radio compass—well, I guess they are all radio-compass stations right now.

Mr. KELLEY. Now, the total of the figures you have given appears to be \$7,747,627.

Admiral PARKS. Well, please add to that anything that you possibly will to enable me to cut down the charges to general expenses.

Mr. KELLEY. Now, Admiral, how many automobiles and trucks are you keeping up in all stations? Can you give the total of all of them?

Admiral PARKS. At navy yards 119 motor passenger vehicles and 484 motor trucks.

Mr. KELLEY. That is the navy yard here in Washington?

Admiral PARKS. Those at Portsmouth, New York, Boston, Philadelphia, Washington, Norfolk, Charleston, Mare Island, and Puget Sound. Now, in addition, there are several more. That summary sheet does not seem to be right here. I can put those in later.

Mr. KELLEY. About what does the total maintenance for automobiles and trucks amount to?

Admiral PARKS. I have not totaled that.

Mr. KELLEY. You could put that in later also?

Admiral PARKS. I am supposed to get a statement of each one at the end of each quarter. I can total the whole of those quarterly reports and give you that.

Mr. KELLEY. Can you approximate it at all offhand?

Admiral PARKS. I should say it might be in the neighborhood of \$2,000,000. I should not be at all surprised if it is about two-thirds of the transportation cost.

Mr. KELLEY. That would be for the pay of the chauffeurs and the repair of the cars?

Admiral PARKS. Repairs and supplies.

Mr. KELLEY. Is there any likelihood of that being decreased the coming year?

Admiral PARKS. That is being decreased.

Mr. KELLEY. At what rate, and for what reasons?

Admiral PARKS. Lack of money and lack of necessity. It is hard work to induce people to believe that they do not need cars, but considerable reduction has been made, because they are not needed.

Mr. KELLEY. You have complete control over the distribution of these cars?

Admiral PARKS. With the advice of the Assistant Secretary.

Mr. KELLEY. Well, he acts with your advice? That is the way it works out practically, isn't it?

Admiral PARKS. Sometimes.

Mr. KELLEY. That is, you have the detailed information and he has the final word?

Admiral PARKS. He has the final word. Sometimes I hear about a car from him.

Mr. AYRES. I suppose it is pretty hard to convince them that they do not need a chauffeur?

Admiral PARKS. It is very difficult. The total number is much larger than those in these navy yards.

Mr. KELLEY. Then, of the seven million and some dollars that you are asking for, about one-third of it is for the maintenance of automobiles and trucks?

Admiral PARKS. That was simply a guess; but I would not be at all surprised if it was pretty fairly close.

Mr. KELLEY. You are going to put a statement of that into the record?

Admiral PARKS. Yes. I can have a cost table of what it really is.

Mr. AYRES. In making that statement, will you also, if you can,

itemize it to the extent of showing what is for repairs of passenger cars and what is for trucks, and also how much for chauffeurs?

Admiral PARKS. Yes. I have all of that in the reports, if the reports are complete.

Statement of annual cost of maintenance, repair, and operation of 26 out of 390 passenger automobiles under cognizance of the Bureau of Yards and Docks, 1920.

[Compiled from Quarterly Reports, Form 124.]

Car.	Place.	Supplies.	Repairs.	Driver.	Total.	Mileage.
Cadillac, 2002.....	Philadelphia.....	\$412.16	\$1,281.67	\$928.63	\$2,622.46	14,830
Cadillac, 2017.....	.....do.....	290.08	1,355.31	990.32	2,635.69	9,646
Cadillac, 532.....	New Orleans.....	353.31	1,435.77	376.88	2,165.96	7,899
Dodge, 1325.....	Boston.....	126.39	776.15	1,377.20	2,279.74	5,740
Ford, 1349.....	Philadelphia.....	315.54	556.86	772.20	1,644.60	18,196
Ford, 687.....	Norfolk.....	119.34	233.82	1,372.80	1,725.96	6,475
Ford, 688.....	.....do.....	181.33	384.77	343.20	909.30	8,100
Ford, 689.....	.....do.....	148.24	218.10	1,030.80	1,387.14	7,500
Ford, 691.....	.....do.....	224.78	311.03	1,372.80	1,908.61	9,000
Ford, 692.....	.....do.....	154.38	215.25	1,372.80	1,742.43	7,300
Ford, 693.....	.....do.....	138.43	176.13	1,161.72	1,476.28	6,500
Ford, 923.....	Portsmouth.....	145.60	1,355.35	1,372.80	2,883.75	7,254
Ford, 1021.....	.....do.....	135.99	1,417.37	753.00	2,306.36	6,298
Ford, 9.....	Annapolis.....	51.24	281.76	369.22	702.22	1,631
Haynes, 31.....	Boston.....	198.43	1,501.01	1,377.20	3,076.64	6,546
Haynes, 530.....	New London (subbase)	959.49	2,855.65	(1)	3,815.14	16,681
National, 33.....	Boston.....	170.11	1,944.55	1,034.00	3,148.66	7,960
National, 307.....	Gulfport.....	425.60	1,248.19	(1)	1,672.82	10,514
Packard, 1351.....	Philadelphia.....	142.57	1,218.66	262.09	1,623.32	7,119
Packard, 4.....	Annapolis.....	461.76	2,287.53	1,494.54	4,243.83	10,600
Peerless, 2063.....	Charleston.....	181.12	106.16	761.20	1,048.48	2,324
Peerless, 2064.....	.....do.....	98.94	195.14	624.80	918.88	1,966
Peerless, 684.....	Norfolk.....	217.59	270.06	1,373.80	1,870.45	6,280
Peerless, 685.....	.....do.....	206.05	288.82	1,372.80	1,867.67	6,028
Peerless, 913.....	Portsmouth.....	220.16	1,524.31	1,372.80	3,117.27	4,460
Winton, 417.....	Mare Island.....	319.39	1,000.79	2,838.00	4,158.18	9,253

¹ Driven by enlisted man.
392 passenger automobiles, \$453,721.14.

Motor trucks, fiscal year 1921: 809 in use during first quarter of year, 608 in use during last quarter of year. Total cost of operation and maintenance, \$900,201.38; Average cost of operation and maintenance, \$1,266.10 per car.

Mr. KELLEY. Now, of course, you can not buy any new cars?

Admiral PARKS. No.

Mr. KELLEY. The cars are getting older all the while. What proportion of the cars that you have on hand now will you feel it inadvisable to repair next year?

Admiral PARKS. Well, the 1st of November I had 134 cars in storage with an estimated cost of repairs of \$68,000, and they are still in storage.

Mr. KELLEY. Monthly cost?

Admiral PARKS. No. That is what it was estimated that it would cost to put them in running order.

Mr. KELLEY. That is the first cost of putting them in running order?

Admiral PARKS. Yes. Now, that varied from about \$75 to over \$3,000. Those costing \$3,000 to be put in repair are never going to be put in repair. Some of those costing perhaps \$600 or \$800 to put in repair may be repaired pretty soon. I had 22 cars that had not been assigned, just after the armistice, and I think there are only two or three of them left, and after those two or three are assigned we will probably have to repair some of these others.

Mr. KELLEY. Now, that is a matter that is entirely in your hands, whether you repair a car or not?

Admiral PARKS. Yes; I think so.

Mr. KELLEY. Now, what percentage of the cars on hand this year will be in such bad shape that you will not feel like repairing them next year?

Admiral PARKS. I think more than one-half of them; it costs us more to repair a Ford machine than the purchase price.

Mr. KELLEY. Is the same thing true of the trucks?

Admiral PARKS. I should think in about the same proportion. Of course, we bought a better quality of truck on the average than we did automobiles. Perhaps you recall that the last year's authorization was 15 cars not to exceed \$2,000 each, and a hundred cars not to exceed \$500 each.

Mr. KELLEY. Do you have jurisdiction of the purchasing of trucks?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Out of what fund do you get the money to buy them?

Admiral PARKS. We buy them out of "Maintenance" if we bought any.

Mr. KELLEY. Is there anything in these items for the purchase of trucks?

Admiral PARKS. No. I think we will not require the purchasing of any trucks for quite a little while.

Mr. KELLEY. How many trucks have you got on hand, unassigned?

Admiral PARKS. I haven't that number in mind, but several hundred, I think.

Mr. KELLEY. Why wouldn't it be a good idea to sell them?

Admiral PARKS. Well, the selling price has been so low that I have not felt inclined to approve some surveys for sale. We have one lot that we can get a very small offer for.

Mr. KELLEY. Where do you keep those trucks?

Admiral PARKS. Most of them are at Pelham and Hampton Roads; some at the Great Lakes.

Mr. KELLEY. What makes are they?

Admiral PARKS. Almost everything; White, United States, etc.

Mr. KELLEY. What would be the average purchase value?

Admiral PARKS. The average purchase value I think was over \$3,000, but the average sale value now is below \$500. There is one lot of 25 Nashes that have not had very much service, and I have hesitated to approve the sale of them. I believe that with some moderate repairs we ought to make those cars give us some service before we sell them.

Mr. KELLEY. What part of the automobile repairs would probably be passenger automobiles?

Admiral PARKS. Oh, I should think one-third.

Mr. KELLEY. Now, when were these estimates made?

Admiral PARKS. In May.

Mr. KELLEY. Last May?

Admiral PARKS. Last May.

Mr. KELLEY. What is the relative price of paint as compared with last May?

Admiral PARKS. I haven't compared the price of paint. Cement is the last one that I noticed.

Mr. KELLEY. How about cement? What is the relative price of cement as compared with last May?

Admiral PARKS. That was a few per cent higher.

Mr. KELLEY. Cement is higher than it was in May?

Admiral PARKS. Yes, sir.

Mr. KELLEY. How about lumber?

Admiral PARKS. I think lumber generally is lower.

Mr. KELLEY. Considerably lower?

Admiral PARKS. Yes, sir.

Mr. KELLEY. How many per cent lower? Of course, we can get those figures exactly from the Department of Commerce.

Admiral PARKS. Well, I am trying to remember some of those that I have seen published by the Department of Commerce. I think that showed northwest lumber about 20 per cent lower.

Mr. KELLEY. Now, in the matter of iron and steel, where you need to use that in the form of nails or any other commodity, what is the price?

Admiral PARKS. I do not think there is very much difference in that yet.

Mr. KELLEY. I thought steel had dropped considerably.

Admiral PARKS. It has—base; but I do not see much difference in the fabricated.

Mr. KELLEY. What are the chief commodities that you use in carrying out this transportation besides those that I have named, such as lumber, cement, paint, steel, or iron?

COAL.

Admiral PARKS. Well, fuel, of course, is the biggest material item that comes under "maintenance."

Mr. KELLEY. How much do you pay for coal at the mines?

Admiral PARKS. I haven't those figures.

Mr. KELLEY. \$3.50?

Admiral PARKS. I am not sure what they are. They say they are paying \$7 at Hampton Roads now for coal.

Mr. KELLEY. That, of course, would include the freight?

Admiral PARKS. Yes, sir. There has been a good deal of talk lately about prices paid by the Army and Navy for coal, and I think it was something like \$3.15.

Mr. KELLEY. Coal has decreased considerably, hasn't it, for the Navy, since you made these estimates? As much as a dollar a ton or possibly more?

Admiral PARKS. I am not sure that it has. They say they are paying a dollar more now; \$7 at Hampton Roads.

Mr. KELLEY. How much of this total appropriation is allowed for coal?

Admiral PARKS. That depends on how much goes into general expense.

Mr. KELLEY. Well, approximately.

Admiral PARKS. That depends on how much goes into general expense.

Mr. KELLEY. Well, on the basis you have been running?

Admiral PARKS. As it has been running, I think we have not had more than a quarter of that expense, \$3,600,000. I should think \$3,000,000 worth of that expense has been going into general expense.

Mr. KELLEY. How much to you?

Admiral PARKS. \$600,000 to "maintenance."

Mr. KELLEY. At Hampton Roads it is one half of that?

Admiral PARKS. Well, take up the industrial yards; this \$3,600,000, I get \$600,000 of that, and the whole of Hampton Roads.

Mr. KELLEY. That is a million altogether?

Admiral PARKS. Altogether practically a million.

Mr. KELLEY. Here is an article that appeared in the paper the other day which probably you could inquire into, and it might make quite a difference in the sum total of this, as to coal:

The coal supply has been at all times maintained, the suppliers being allowed full cost of production plus a fair return of profit. The price has been reached after investigation as to the cost of production, using the data obtained by the Federal Trade Commission as a basis. Prices quoted for coal sold the Navy are \$4.24 in August and September of this year for Pennsylvania coal; \$3.57 and \$3.59 for New River coal, and \$3.93 for Pocahontas, the figures being for net tons.

Is that about the prices you think you paid?

Admiral PARKS. Are those mine prices?

Mr. KELLEY. Those are evidently mine prices. Of course, the freight would be added to that. That was last April. Do you know whether or not there has been any reduction in the price of coal since then?

Admiral PARKS. No.

Mr. KELLEY. You do not know?

Admiral PARKS. I do not know.

Mr. AYRES. There has been an increase in freight rates.

Admiral PARKS. There has been an increase in freight rates.

Mr. KELLEY. So that we may or may not be able to get a saving on the coal, depending on the price at the mines, because the freight will probably be considerably more.

Admiral PARKS. Yes. The only point that I wish to make on that is a report from Hampton Roads that the coal is now costing them \$7; \$1 more than it was.

Mr. AYRES. That is probably due to the freight rate.

Admiral PARKS. That is probably due to the freight rate.

Mr. AYRES. I do not know what zone that would be in, but it would probably be anywhere from 35 to 40 per cent increase, surely.

Admiral PARKS. Yes. I think it would be about right on New River—\$3.50 at the mines.

WAGES AND PERSONNEL.

Mr. KELLEY. Who determines the pay of men who will get pay under this appropriation? Who will get any pay out of this appropriation?

Admiral PARKS. The board on wages—

Mr. KELLEY. That is, the naval board?

Admiral PARKS. The naval board, as provided by law, to determine the prevailing rates of pay for mechanics and laborers in that neighborhood, and upon its report the wages are based. That is the regular way. Lately there has been a general adjustment, a special board of the department.

Mr. KELLEY. Now, your mechanics, your carpenters, and others that are working for you, getting paid out of this appropriation, has their pay been fixed by the Navy wage board?

Admiral PARKS. It will, with the regular wage board, after this, I suppose.

Mr. KELLEY. The regular wage board?

Admiral PARKS. Yes; the one that meets in the locality and determines the prevailing rate of pay in that locality.

Mr. KELLEY. The law requires that they shall fix it at the prevailing rate in that locality?

Admiral PARKS. It does, but there is one trouble, I think—it does not require that it be fixed at the prevailing hourly rate, and the average rate that is submitted to the board is an average, often, of 10-hour days, mixed up with 8-hour days. I think if that were modified to an hourly instead of an average daily rate of pay, it would meet the conditions.

Mr. KELLEY. Wouldn't it take into account the standard day of 8 hours?

Admiral PARKS. No, it says "average daily rate of pay."

Mr. KELLEY. But if a man works 12 hours, as he might do in some industries, you would not figure his daily pay on a 12-hour basis if you were on the wage board?

Admiral PARKS. I would have to.

Mr. KELLEY. I should think you would have to establish some standard day and from that compute the wage. Let me put it this way: Take, for example, the vicinity of Philadelphia, suppose the day in private business was 9 hours, and the rate of pay on the 9-hour basis was \$6 for the same class of mechanics. Is it your understanding that the board would fix the pay of the same sort of a mechanic at \$6 on a 7½-hour day?

Admiral PARKS. Yes, sir, that is the way I believe the law requires it to be done. But I will say I think the members of the board do try to find out whether the day is 8 or 9 or 10 hours for which the rate is given them.

Mr. KELLEY. Are you testifying as a matter of fact now that a man in a navy yard, working 7½ hours, gets as much pay as a mechanic of the same grade doing the same kind of work gets in private life on the basis of 9 hours or 8 hours, in the same community?

Admiral PARKS. I am, if it were made the rate of pay to a man for 8 hours, that he works in the navy yard, based upon the average daily rate of pay in that vicinity, all of the other employees in that vicinity were working on a 9-hour day.

Mr. KELLEY. Do you know that to be so?

Admiral PARKS. Yes, sir. That is the requirement of the law—"average daily rate of pay."

Mr. AYRES. The law fixes the hours at 8 or 7½?

Admiral PARKS. It fixes it at 8 in the navy yard.

Mr. KELLEY. Then, in addition to that, had there been a bonus paid of \$240 a year?

Admiral PARKS. Yes. Well, that has not been the fact during the war period. The rates have been fixed during the war period by boards that were not local; by the Macey Board, or some other one of these Washington boards.

Mr. KELLEY. We are talking about the present time and what is going to happen next year under the existing law.

Admiral PARKS. I think up to a few months ago the bonus was paid in addition. Then the last change in rates gave them a 5 per cent increase unless their pay was \$8 or above; 73 cents if it was \$8 or above, or something like that.

Mr. KELLEY. A 5 per cent increase above what?

Admiral PARKS. A 5 per cent increase on their previous pay, if their rate of pay was less than \$8 a day.

Mr. KELLEY. Their previous pay was averaged up with the 9-hour man on the outside?

Admiral PARKS. If all on the outside had been nine hours, but it is an average of the prevailing daily rate.

Mr. KELLEY. Regardless of the number of hours?

Admiral PARKS. Yes.

Mr. FRENCH. My understanding is that the legislative, executive, and judicial appropriations bill, as we passed it through the House, omits the bonus absolutely to the employees of the Navy for this coming year, upon the theory that you have just indicated, that the wages of those employees are based upon the industrial conditions—the wage condition—wherever they may be working, and that therefore they are not entitled to the bonus, the bonus being applied in cases where the employees are under salary, and that has taken no recognition of the salaries paid by private concerns in employing help.

Mr. AYRES. That is the bill that we are passing now?

Mr. FRENCH. Yes. I recall that I have on my desk now a letter that came in about two days ago from a Navy organization of employees protesting against it.

Mr. AYRES. Yes; I think I did also.

Mr. FRENCH. The protest, it seemed to me, was wholly ungrounded.

Admiral PARKS. That was my idea, that you had left it out on account of this adjustment.

Mr. FRENCH. Yes. That does not obtain, however, as to other Government employees.

Mr. KELLEY. I am interested in the 5 per cent proposition. I understood you to say that the pay of men who will get money out of this appropriation, is based upon the average pay on the outside of the Government service—the average daily pay of men in the same grade or class of work in private life. Now, what about this 5 per cent increase?

Admiral PARKS. After investigation, I think the board recommended that those receiving less than \$8 a day be given a 5 per cent increase, and I guess that ended about there—giving 5 per cent. Then later, when the matter came up with the men receiving \$8 or more per day, who were not receiving the benefit of the increase—those receiving \$8 or more per day were given a lump sum increase of 80 cents a day.

Mr. AYRES. Which would make \$8.80?

Admiral PARKS. \$8.80 a day.

Mr. KELLEY. Say a man in the Navy gets \$8.80 per day, what would this man get on the outside for the same services?

Mr. AYRES. \$8 for nine hours work.

Admiral PARKS. It has been too much for me to follow. I would not want to state positively what he would get.

Mr. KELLEY. Does the \$8 man in the Navy have his pay fixed at \$8 because that is the average going rate outside?

Admiral PARKS. Well, there is a feeling that a bonus has been taken into consideration in some of these adjustments, and if that is the case the \$8.80 would be the prevailing rate for the pay on the outside, \$8 a day base pay plus the bonus. The bonus, I think, was 73 cents.

Mr. AYRES. Who has the supervision of that matter?

Admiral PARKS. The Assistant Secretary of the Navy.

Mr. AYRES. Who has the right to say whether they shall receive this 80 cents, or 5 per cent? What we are getting at is this, if we can get that part before the committee so we can ascertain just what is being done.

Admiral PARKS. I suppose the department is the ultimate authority for that thing, but the navy-yard workers generally, under the Assistant Secretary—

Mr. KELLEY. I will ask the question directly, the men in your employ who draw pay out of this appropriation, maintenance in the Navy, do they get 5 per cent more pay than the corresponding pay in private employment?

Admiral PARKS. I am not sure of that. They get 5 per cent now more than they got before this last adjustment, but that is not a statement that they get 5 per cent more than corresponding men on the outside. That I think is a long way from the facts of the case of common labor. If we have a man getting \$4.66 as a common laborer, I believe he is getting at least \$5.50 on the outside.

Mr. KELLEY. Here is a letter dated September 4, 1920, the copy of the letter, a circular letter, signed by Mr. Daniels as Secretary of the Navy. I will read you the first paragraph of it as follows;

The Labor Wage Adjustment Board appointed to consider the question of a readjustment in the wages for employees under the Naval Establishment finds that the existing wage scale for the Naval Establishment is higher, the \$240 per annum congressional bonus considered, than the wage scale of any other industry as a whole in the United States of which it has information. The present wage scale of the shipbuilding industry is lower than that of the railroad industry. The difference between the navy yard scale and the shipbuilding industry is practically the congressional bonus of \$240 per annum, which was granted to all employees under the Naval Establishment of July 1, 1920, who are receiving less than \$2,740 per annum. In consideration, however, of the fact that cost of living has increased since the wage scale was promulgated on November 1, 1918, the department has decided to allow a 5 per cent increase over and above the \$240 per annum bonus to all workers under the Naval Establishment, with the exception of the clerical and drafting forces.

Admiral PARKS. Now, that states that the rate of pay at the navy yard was above the prevailing rate of the shipbuilding and the railroads. But that is not the point upon which wages are established. They are established upon the prevailing rates in the vicinity, and they are not limited to shipbuilding or railroads.

Mr. FRENCH. Are they not limited to the same kind of work?

Admiral PARKS. The same kind of work. Now we have had considerable trouble in deciding what was the vicinity and what was the same kind of work in times past.

Mr. KELLEY. This letter indicates that without the bonus the navy yard employees were getting as much as men engaged in similar lines outside, but in view of the prevailing high cost of living it was

decided to allow the bonus of \$240 and on top of that 5 per cent advance.

Mr. AYRES. Which is practically \$240 more.

Admiral PARKS. I do not quite understand it that way. I understood it as that including the bonus they were getting the same, but it was excluded, was it? It was my understanding they found the general average higher. In the matter of common labor, our rates have not gone up to the prevailing rates in the vicinity. At Brooklyn I think we had \$4.40 for common labor, when the labor right outside the gate was \$5.50 and \$6.

Mr. KELLEY. This board that you speak of, which next year will fix the wages, acts in view of the conditions in each locality rather than the country as a whole?

Admiral PARKS. Yes.

Mr. AYRES. That would be on the average \$11.20, that 5 per cent would, that is based on the \$8 a day wage.

EFFICIENCY OF EMPLOYEES.

Mr. FRENCH. What is the efficiency of the employees as compared with the efficiency of the same kind of employees five years ago?

Mr. AYRES. I do not think they are as good as they were five years ago, but they are a lot better than right after the armistice; the efficiency is a good deal improved.

Mr. FRENCH. How does the efficiency check in with efficiency in labor in other kinds of employment outside of the Government, similar employment?

Mr. PARKS. I have not any definite knowledge, but the matter is discussed once in a while with people who come into my office, and almost every time I am told that the efficiency is better, but not by any percentage, simply that it is improving.

Mr. KELLEY. Now, Admiral, what is the total number of employees who will receive compensation out of this appropriation outside of the clerical forces?

Admiral PARKS. That is an absolutely indefinite number. This money is not appropriated for the employment of people.

Mr. KELLEY. No; but the most of it is based upon the number of people necessary to employ?

Admiral PARKS. No; based upon the work necessary to be done, and that number of people varies all the time.

Mr. KELLEY. And that controls the number of people to be employed?

Admiral PARKS. It is varying all the time.

Mr. KELLEY. We will say you are going to spend \$100,000 on the grounds of a particular place, that is nearly all labor?

Admiral PARKS. A good deal of it is labor.

Mr. KELLEY. Maintenance of grounds would be all labor, would it not?

Admiral PARKS. Pretty largely labor.

Mr. KELLEY. Have you not some way of determining how many employees will be paid out of this fund besides your clerks?

Admiral PARKS. No; I have not wanted to.

Mr. KELLEY. Why not?

Admiral PARKS. Because I do not like that idea of considering it a matter of employment of men.

Mr. KELLEY. Are you not interested in knowing whether or not there is a surplus of employees around these stations?

Admiral PARKS. No; I do not want to know it that way; I want to know whether the money is producing a result or not.

Mr. KELLEY. How can you tell unless you know how many men they are keeping on the pay roll? You just stated, Admiral, a little while ago, it was very difficult to discharge help.

Admiral PARKS. It is very difficult to discharge classified help, and it is pretty difficult to discharge unclassified in certain places, particularly the Washington Navy Yard, but the classified and unclassified mechanics and laborers are being taken on and discharged all the time as the work requires it.

Mr. KELLEY. Yes; but you ought to have some knowledge, Admiral, it seems to me, of the number of men you are employing in this department and paying for out of this appropriation.

Admiral PARKS. It may be 100 to-day and 1,000 to-morrow.

Mr. KELLEY. It is not apt to run that way, is it?

Admiral PARKS. Not quite as big a variation as that.

Mr. KELLEY. Well, nothing like that: You have at each one of these places guards, men on the lawns, people to mow the grass, trim up the lamps, and keep the lighting in good condition the year round. Now, there is not such a great fluctuation?

Admiral PARKS. In this kind of help it is pretty fairly steady.

Mr. KELLEY. That is, the bulk of the work on the grounds you pay for out of this appropriation, is it not?

Admiral PARKS. No; if you have to pull up a broken water pipe, you put 50 men on that job and have that up in half a day, but you do not put them again on that kind of a job for a month perhaps.

Mr. KELLEY. I understand that. You take them from some other part of the yard and bring them over there and clear up that particular thing, but you could give some kind of a definite idea how many men are on the Government pay roll who regularly get pay out of this appropriation, could you not?

Admiral PARKS. I can make up the schedules for the several yards.

Mr. KELLEY. The average number of men who will be paid out of this appropriation?

Admiral PARKS. Perhaps the easiest way to take that is the average daily under that department, but that is not very close.

Mr. KELLEY. How does the number that you employ now compare with the number that you were employing six months ago for these various purposes?

Admiral PARKS. It is somewhat less.

Mr. KELLEY. Are you sure?

Admiral PARKS. I am pretty sure of it. I have not got the definite data from any one place, but I am pretty sure it is less.

Mr. KELLEY. How much?

Admiral PARKS. I think it is at least 10 per cent.

Mr. KELLEY. And it will be 10 per cent less next year.

Admiral PARKS. I think it will. It depends pretty largely upon what you do in other lines. If you should happen to give \$184,-000,000 for increase of the Navy this year, it would not decrease.

Mr. KELLEY. If we spent about what we are spending now in the increase of the Navy?

Admiral PARKS. It will run just about the same.

Mr. KELLEY. Where do you come in on the increase of the Navy?

Admiral PARKS. Transportation and other stuff of that kind I have to take care of. There is always a lot more work on the yards.

Mr. KELLEY. More motor trucks, you mean?

Admiral PARKS. Yes.

Mr. KELLEY. If it remains about the same you will not have any burden there?

Admiral PARKS. Not very much. The only reason we are reducing is because you insist upon it.

Mr. KELLEY. Now, all the classified salaries for your department outside of Washington, come under this fund?

Admiral PARKS. Yes; also the classified technical in Washington.

Mr. KELLEY. How many are there altogether?

Admiral PARKS. That is another case where I have not got my totals. I brought up all of the classified.

Mr. AYRES. You can not find the other classified?

Admiral PARKS. I have got them separated here, but I have not got them totaled.

Mr. KELLEY. Well, you can put that in the record, and give me approximately the number.

Admiral PARKS. I can give the total all right.

Mr. KELLEY. You have got the total?

Admiral PARKS. I can put it in the record.

Mr. KELLEY. But for purposes of discussion just at this moment, can you approximate the number?

Admiral PARKS. I think there are about 600 or 700 of them now altogether; 762 last year. I think probably about 600. The only ones, those figures I have had in my mind lately, was the number of inspectors we had, 92 inspectors.

Mr. KELLEY. This 600 is paid out of this fund?

Admiral PARKS. Yes. At the present time I have about 250 contracts running, and I have less than one inspector for each contract, and it looks to me like a possibility of about 100 more contracts during the rest of this fiscal year. It depends upon what you appropriate as to whether there will be many next year or not. We have asked for quite a lot. Now the number of inspectors are approximately one per contract.

(The statement referred to reads as follows:)

Distribution of classified employees, maintenance, Bureau of Yards and Docks.

[Compiled Jan. 14, 1921, from latest reports available.]

	Chief clerks.	Supervising clerks.	Clerks.	Stenographers.	Typists.	Telephone operators.	Policemen.	Messengers.	Chief draftsmen.	Draftsmen.	Photographers.	Inspectors.	Aids.	Supervising engineers.	Safety engineers.	Instrument men.
Annapolis.....	1	1	1					1				3				
Bellvue.....																
Boston.....	1	1	5	9	2	9	42	2	1	2	1	6	2	1		2
Charleston.....	1	1	2		3	5		1		3		2				1
Fort Lyon.....					1							2				
Great Lakes.....	1		3							3		1				
Guam.....		1								2						1
Guantanamo.....	1		1													
Gulfport.....																
Hampton Roads.....	1	1	7	2		10		1		2		3	1			1
Indianhead.....			1													2
Key West.....	1		1	1		1	6	2				5	5	1	1	4
Mare Island.....	1		9	9	3	4				9						
New London.....			3	5	2				2			2				
New Orleans.....			3	2			6	2	1		1					
Newport.....	1	1	5	2	2	2		21	4	1	3	3	1			1
New York.....	1	3	26	2	2					8	1	9	4			1
Norfolk.....	1	1	9		5	9			1	1	11	14	2	1	1	3
Pearl Harbor.....	1	1	6	3	2			1	4	8	5	2				2
Parris Island.....			1	1						1		2	1			
Pensacola.....						2										
Philadelphia.....	1	1	21	5	3		4		25		21	2	1	1		
Portsmouth.....		1	3	3	1	4		3		3	1					1
Fuget Sound.....	1	1	1	6	4	9		2		8	1	8		1		1
Quantico.....	1		1									1				1
San Diego.....	1		2	6	5		3			18		13	1	1		2
South Brooklyn.....			4	1	3											
St. Thomas.....	1		1													
Washington.....	1	1	7		4	7	2	2		7		7	1	1		1
Yorktown.....			2		2					1		2				
Third district.....			1	1			3					1				
Total.....	15	16	124	63	44	68	80	33	3	127	3	122	23	6	4	25

¹ See Parris Island.² 11 topographical.

CLERICAL EXPENDITURE, DRAFTING, MESSENGER, AND UNCLASSIFIED WORK.

Mr. KELLEY. How much can we cut down this limitation on page 41, and the top of page 42?

Admiral PARKS. I would not cut it down at all, but it does not affect the appropriations.

Mr. KELLEY. I know, not unless we take that into account when we fix the total, but of course that would be one of the items we would take into account when arriving at the total.

Admiral PARKS. The amount expended under it will depend upon the amount of work to be done.

Mr. KELLEY. How much have you spent in the last six months for clerical expenditure, drafting, messenger and unclassified work?

Admiral PARKS. Approximately \$700,000. We have just made a reduction, and that reduction was based upon returns up to the 1st of December, and at that time I found that it was necessary to reduce \$103,000 to come within the \$1,300,000 for the year.

Mr. KELLEY. How many did you say you had now?

Admiral PARKS. I thought approximately 600.

Mr. KELLEY. Last year you spent \$1,617,283.29, and you had 752 employees under this classified list?

Admiral PARKS. The rates have been increased very materially in the clerical list.

Mr. KELLEY. The rates?

Admiral PARKS. The rates of pay.

Mr. KELLEY. Since last year?

Admiral PARKS. Yes.

Mr. KELLEY. Tell us about that.

Admiral PARKS. I think this last board for mechanics and laborers, I think that included the clerical, that report from which you were just reading.

Mr. KELLEY. Of your department?

Admiral PARKS. All departments.

Mr. AYRES. That is the report by the Secretary of the Navy?

Admiral PARKS. Yes.

Mr. KELLEY. Does this 752 include those in your offices here in Washington?

Admiral PARKS. It ought to, if it included all those paid out of the appropriations.

Mr. KELLEY. Maintenance, Bureau of Supplies and Accounts.

Mr. AYRES. Just a moment. This bill, the legislative bill that is going through the House out there now, that is decreasing the wage, eliminating the \$240 bonus, and also the 5 per cent?

Admiral PARKS. But that \$240 bonus was not paid out of this appropriation.

Mr. AYRES. But the 5 per cent would have been?

Admiral PARKS. The 5 per cent would, but they have decreased the number of hours, so that the weekly pay roll was not as great. The hourly rate was increased, but the weekly pay roll was decreased.

Mr. AYRES. By the ruling of this board?

Admiral PARKS. Yes; but of course it increased the amount of holiday and leave for a given amount of work, because it took more people.

Mr. AYRES. Out of what fund would the \$240 bonus come?

Admiral PARKS. That is paid out of a special appropriation, I think.

Mr. KELLEY. Now, the navy yard classified list; is that not a civil-service list?

Admiral PARKS. The one that we call classified is the list of clerks, technical, and others, who are employed within the limitation placed in the bill, not the mechanics, but the mechanics are classified according to the civil-service ruling.

Mr. KELLEY. Now, take your clerks.

Admiral PARKS. The clerks are within this limitation, the carpenters are not.

Mr. KELLEY. Is their pay not fixed by general law?

Admiral PARKS. No; that is out of lump-sum appropriation. We had a civil establishment up to a few years ago, in which all of these positions were enumerated and fixed prices.

Mr. KELLEY. But take the Bureau of Navigation, for instance, they have a certain number of clerks down there. Is not the pay that

they fix there in harmony with some general legislative provision; they are not permitted to pay whatever they like, are they?

Admiral PARKS. There are certain limits for certain classes of work and promotions are made within those limits; but if I want to increase the pay of a clerk, I make a recommendation to the Secretary to increase the pay, and if favorably acted upon he orders the increase of pay; for the clerks, technical force, it happens there are not any material increases being made in those.

Mr. KELLEY. Your position is that they receive more now than they did out of this appropriation a year ago?

Admiral PARKS. More per hour, but less per week, but it takes more people to do the same work.

Mr. AYRES. On account of the shortening of the day?

Mr. KELLEY. You have five eight-hour days, do you?

Admiral PARKS. Yes.

Mr. KELLEY. And one four-hour day?

Admiral PARKS. Nominally you have got the ratio of 44 to 48.

Mr. KELLEY. Could you not do as much in the 44 hours as you did in the 48?

Admiral PARKS. Oh, no; it never works that way.

Mr. KELLEY. Well, they do work five days eight hours a day?

Admiral PARKS. They do.

Mr. KELLEY. So that in your office here in Washington they do that?

Admiral PARKS. Seven, I think, is it not?

Mr. KELLEY. Where is the eight-hour day; where does that prevail?

Admiral PARKS. Eight hours in the navy yards and seven in the bureaus.

Mr. KELLEY. So that they work only 42 hours a week in the departments?

Admiral PARKS. Yes; but there is an awful lot of difference between working a full day and working half a day as to the amount of work that is done.

Mr. KELLEY. They work 42 hours a week in the department and 44 hours a week in the navy yard?

Admiral PARKS. And 42 hours straight out, as they are in the department, are worth more than 44 spread out, as they are in the navy yard, for work accomplished.

Mr. KELLEY. Is six 7-hour days better than five and one-half 8-hour days?

Admiral PARKS. Decidedly. A half day never produces, as far as I have been able to see, half as much as an 8-hour day.

Mr. KELLEY. If there is a reduction in repairs in the navy yards, will that make any difference in this appropriation?

Admiral PARKS. It probably means we will have more watchmen, and taking care of ships that are out of commission, tied up at the docks.

Mr. KELLEY. Suppose you had 10 or 15 more ships tied up at the docks, how many more watchmen would you have to have?

Admiral PARKS. You would have to have at least three for each ship.

Mr. KELLEY. Three men on each ship?

Admiral PARKS. Eight-hour days.

Mr. KELLEY. Oh, one man at a time?

Admiral PARKS. Yes; and if it is much of a ship, one man could not take care of it.

Mr. KELLEY. Would you have to have three men on one of these sub. chasers?

Admiral PARKS. Oh, no; I do not count the sub. chasers in that class.

Mr. KELLEY. How many would you have to have on a sub. chaser?

Admiral PARKS. Just at the present time I am of the opinion that one man going out to a mooring post and putting a lantern on a group of sub. chasers in the evening, and going out and getting them in the morning, is about enough, although at some places they consider they need watchmen steadily.

Mr. KELLEY. The difference in the number of ships that would be tied up would be rather negligible, would it not?

Admiral PARKS. I think so. I think they are mostly destroyers.

Mr. KELLEY. Where else can we consider a lead to a reduction?

Admiral PARKS. I do not think there are any. I do not like to see excess cost turned over into general expense, and that is just what it amounts to, if you can not get an appropriation for this purpose large enough to take care of the work, until you have changed the law.

MAINTENANCE COST.

Mr. KELLEY. How does your maintenance cost compare with maintenance costs of private affairs in like undertakings?

Admiral PARKS. Well, I have not looked into those figures for quite a while, but the Pennsylvania road is the best one with which to compare. They have land and water facilities, a considerable quantity of water facilities at New York, and at Philadelphia, and if I am able to recollect, their maintenance used to be about 3½ per cent of the value of their real property, such as their tracks, bridges, buildings, wharves, and pier slips, and things of that kind. And our maintenance runs pretty nearly that when you take into consideration the amount that is directly expended against the appropriation and that that goes into general expense.

Mr. KELLEY. How much are you handling of that?

Admiral PARKS. We handle about 2 per cent; a little under 2 per cent.

Mr. KELLEY. You mean now with the Pennsylvania Railroad, its maintenance charges?

Admiral PARKS. Yes; its maintenance charges.

Mr. KELLEY. Do they charge all the repairs to maintenance?

Admiral PARKS. They used to have the things divided so that repairs of right of way and buildings—

Mr. AYRES. They seem to be sending their engines to the Baldwin Locomotive Works at fabulous prices, under the guarantee system of the Government.

Admiral PARKS. I think we have a lot of things in ours that very few private concerns have; there is a very few of them that furnish anything like furnished quarters to their employees, any of them.

Mr. KELLEY. Who initiates the request for repairs and expenditures for this purpose under this appropriation?

Admiral PARKS. The officer particularly interested, if it is a matter of a shop building in which engineering is carrying on its work, the engineer officer would probably be the one who would make the request, but it might be that he had paid no attention to the thing and nothing occurred until the public works officer makes his inspection of the building. He would find these things necessary and initiate the work himself. Those inspections have not been occurring oftener than once a year, at least lately, that is, since the rush of the war period, but they are supposed to take place at more frequent intervals than if it were on the streets or water front. Anything of that kind the captain of the yard would be apt to be the first one who called attention to it. Those things are brought to the attention of the public works officer, who then takes the matter up for a job order, and if an allotment is necessary from the bureau, he takes it up with the commandant, who is the bureau's representative. The public works officer of the yard is not supposed to be a representative of the bureau, but only of the commandant. The commandant then brings it up to the bureau, and if the project appears to be necessary and funds are available an allotment is made. But during the last six months very few special allotments could be made, because we have considered it necessary to keep the allotment a twelfth per month. We understood the committee last year to desire they be kept at a twelfth per month.

Mr. KELLEY. I am considering now estimates that come in for next year. Who initiates those?

Admiral PARKS. Those are prepared by the public works officer generally.

Mr. KELLEY. Are those very critically examined by the commandant of the station?

Admiral PARKS. It depends a good deal on the commandant. Mr. KELLEY. Or does he just pass them right on and O. K. everything that somebody asks for?

Admiral PARKS. It depends a good deal on the commandant. Some commandants, of course, give a little more detailed attention to it than others.

Mr. KELLEY. You take a good many liberties with these reports when they come in to you, do you not?

Admiral PARKS. I have to.

Mr. KELLEY. The fact is, you use your own judgment as to what is required at each one of these places?

Admiral PARKS. I have got to balance up what is required at one place with what is required at another, and get the best balance I can out of the money available.

Mr. KELLEY. Your experience is that an officer perhaps in one place will go in there, and he will see a great many things that ought to be changed, a great many things that ought to be fixed up, and some building that ought to be moved and some partitions that ought to be moved, and a whole lot of things that might or might not be done, and he will have an expensive array of claims on this appropriation, while another would get along just as well with a very modest request, if he were in charge of the same station. Is not that your experience?

Admiral PARKS. It is.

Mr. KELLEY. About how much could you safely discount the requests as they come from the various stations, taking them as an average?

Admiral PARKS. The first one you mention I would probably discount 75 per cent, but if I did the same thing with the other one I would put him in a position that would be unbearable.

Mr. KELLEY. So you have to know the situation, and have detailed information as to the needs of each station yourself individually?

Admiral PARKS. I try to have a personal knowledge of them. I should like to visit them often enough to know.

Mr. KELLEY. How often are you able to visit the Boston yard?

Admiral PARKS. I have not been able to visit that yard for over a year. I have had to go out to the Pacific coast twice during this year and I have been rather busy with that committee's work since I returned from the coast and have not had time to visit the eastern yards before coming up to this hearing.

ACTIVITIES AT BOSTON YARD.

Mr. KELLEY. As to the activities in the various yards, as compared with last year, what would you say about the Boston yard, are there some parts of that yard that can be closed down now where there will not be any maintenance charges?

Admiral PARKS. No; I do not think the yard could be closed down very much.

Mr. KELLEY. No part of it?

Admiral PARKS. I do not think so.

Mr. KELLEY. Well, they will be running with a light force there, will they not?

Admiral PARKS. I think somewhat less than they have now.

Mr. KELLEY. What are they doing?

Admiral PARKS. There is a chain shop.

Mr. KELLEY. Are they building any ships?

Admiral PARKS. I do not think they have any ship under construction there at all.

Mr. KELLEY. Next year they will not be building any there?

Admiral PARKS. No; it is mostly repair work at that yard.

Mr. KELLEY. Can not that yard reduce its force considerably?

Admiral PARKS. Probably will reduce its force, but I do not know how much.

Mr. KELLEY. Would it not be greatly reduced over last year?

Admiral PARKS. No; not very much.

Mr. KELLEY. I should think it would make a great difference whether a yard is active or just running along moderately.

Admiral PARKS. They are pretty fairly low compared with some of the yards now.

Mr. KELLEY. And when a yard is running at full steam the repairs are much greater, are they not?

Admiral PARKS. Yes. Boston has a pretty large number of vessels based on the yard.

Mr. KELLEY. They are all out of commission, are they not?

Admiral PARKS. No. Four battleships and 43 destroyers.

Mr. KELLEY. What four battleships?

Admiral PARKS. I have not the names of those ships here, but I think the *Florida* is one of them.

Mr. KELLEY. Are they of the predreadnaught type?

Admiral PARKS. Of that class, yes.

Mr. KELLEY. You think four battleships of the active fleet are based on Boston?

Admiral PARKS. That is the list.

Mr. KELLEY. Would they be repaired there?

Admiral PARKS. Yes; all ships that are based on the yard are supposed to be repaired there, and there are some chasers.

Mr. KELLEY. Will they be any expense to the yard?

Admiral PARKS. I think a little expense, until we can get rid of them.

Mr. KELLEY. How many destroyers are based there?

Admiral PARKS. Forty-three.

Mr. KELLEY. Are they all out of commission?

Admiral PARKS. I do not know what state they are in. I have gotten up this table particularly to see whether the berthing space was commensurate with the vessels to be berthed and based on that yard and did not pay any attention to whether a ship was in commission or not.

CLASSIFIED AND UNCLASSIFIED CIVILIAN EMPLOYEES AT NAVY YARDS AND STATIONS.

Mr. KELLEY. Has the commandant of that yard reduced his force very greatly in the last two months?

Admiral PARKS. I think he has.

Mr. KELLEY. What is the fact as to that?

Admiral PARKS. You have a table there.

Mr. KELLEY. I have one table showing the number there now.

Admiral PARKS. The last of December, 1919, the number of unclassified employees was 5,796 and the 1st of July, 4,967.

Mr. KELLEY. Have you the other yards right there?

Admiral PARKS. Yes.

Mr. KELLEY. Put them all in at this point.

Admiral PARKS. Classified, Boston reduced in that period from 789 to 739.

Mr. KELLEY. Not very much reduction.

Admiral PARKS. Charleston, unclassified 2,038, reduced to 1,842, and classified 346, reduced to 323; Mare Island, 8,606 unclassified, reduced to 7,161, classified 666, increased to 672; New York, unclassified 10,664, reduced to 9,833, classified 1,667, reduced to 1,381; Norfolk, unclassified 7,898, reduced to 6,696, classified reduced from 1,041 to 943; Philadelphia, unclassified 8,255, reduced to 6,798, classified 1,218, reduced to 1,107; Portsmouth, unclassified 3,905, reduced to 2,350, classified 365, reduced to 356; Puget Sound, unclassified 5,443, reduced to 3,991, classified 92, increased to 599; Washington, unclassified 8,085, reduced to 7,437, classified 804, increased to 808. Those are the navy yards, naval stations.

Mr. KELLEY. Can you put in the other stations, add them to the record at that point?

Admiral PARKS. This same way?

Mr. KELLEY. Yes; and then the total number of classified and unclassified employees, showing the total number of people regularly employed in the navy yards and stations of the whole country, put them all in at this point.

Statement of classified and unclassified civilian employees at navy yards and stations.

[Compiled in the Bureau of Yards and Docks, Jan. 19, 1921.]

Place.	Date.	Classified.	Unclassified.
Navy yards:			
Boston.....	June, 1916.....	198	2,368
Do.....	December, 1919.....	789	5,796
Do.....	June, 1920.....	739	4,967
Charleston.....	June, 1916.....	95	1,277
Do.....	December, 1919.....	346	2,038
Do.....	June, 1920.....	323	1,842
Mare Island.....	June, 1916.....	243	2,302
Do.....	December, 1919.....	728	8,606
Do.....	June, 1920.....	672	7,161
New York.....	June, 1916.....	660	6,030
Do.....	December, 1919.....	1,667	10,664
Do.....	June, 1920.....	1,381	9,833
Norfolk.....	June, 1916.....	281	3,134
Do.....	December, 1919.....	1,041	7,998
Do.....	June, 1920.....	943	6,996
Philadelphia.....	June, 1916.....	240	2,324
Do.....	December, 1919.....	1,218	8,255
Do.....	June, 1920.....	1,107	6,798
Puget Sound.....	June, 1916.....	143	1,403
Do.....	December, 1919.....	502	5,443
Do.....	June, 1920.....	509	3,991
Portsmouth.....	June, 1916.....	94	1,317
Do.....	December, 1919.....	365	3,595
Do.....	June, 1920.....	358	3,250
Washington.....	June, 1916.....	274	3,965
Do.....	December, 1919.....	804	8,085
Do.....	June, 1920.....	808	7,437
Naval stations:			
Cavite.....	June, 1916.....	19	736
Do.....	December, 1919.....	16	1,663
Do.....	June, 1920.....	16	26
Guam.....	June, 1916.....	25	670
Do.....	December, 1919.....	37	159
Do.....	June, 1920.....	34	475
Guantanamo.....	June, 1916.....	14	305
Do.....	December, 1919.....	17	250
Do.....	June, 1920.....	17	318
Hawaii.....	June, 1916.....	35	356
Do.....	December, 1919.....	95	574
Do.....	June, 1920.....	106	597
Key West.....	June, 1916.....	15	116
Do.....	December, 1919.....	67	322
Do.....	June, 1920.....	78	365
Newport.....	June, 1916.....	10	57
Do.....	December, 1919.....	25	144
Do.....	June, 1920.....	23	-----
New Orleans.....	June, 1916.....	24	209
Do.....	December, 1919.....	168	939
Olongapo.....	June, 1920.....	162	1,075
Do.....	June, 1916.....	17	1,396
Do.....	December, 1919.....	10	2,173
Tutuila.....	June, 1920.....	11	2,134
Do.....	June, 1916.....	3	39
Do.....	December, 1919.....	4	142
St. Thomas.....	June, 1920.....	4	154
Do.....	December, 1919.....	-----	-----
Do.....	June, 1920.....	6	72
Naval operating base:			
Hampton Roads.....	June, 1916.....	-----	-----
Do.....	December, 1919.....	369	918
Do.....	June, 1920.....	126	1,045
Naval training stations.....	June, 1916.....	15	129
Do.....	December, 1919.....	375	884
Do.....	June, 1920.....	325	694
Ordnance stations.....	June, 1916.....	168	2,591
Do.....	December, 1919.....	820	6,440
Do.....	June, 1920.....	714	5,993

Statement of classified and unclassified civilian employees at navy yards and stations—Con.

Place.	Date.	Classi-fied.	Unclassi-fied.
Naval air stations.....	June, 1916.....	21	175
Do.....	December, 1919.....	235	438
Do.....	June, 1920.....	223	684
Naval aircraft factory: Philadelphia.....	December, 1919.....	252	1,295
Do.....	June, 1920.....	270	1,161
Naval Academy: Annapolis.....	June, 1916.....	30	442
Do.....	December, 1919.....	220	600
Do.....	June, 1920.....	218	1,216
All other places.....	June, 1916.....	1,164	63
Do.....	December, 1919.....	7,952	3,052
Do.....	June, 1920.....	6,728	3,760

Admiral PARKS. They are not regularly employed there, employed on those dates.

Mr. KELLEY. As of those dates.

Admiral PARKS. The number is varying all the time.

Mr. KELLEY. Yes; as of those dates. And the unclassified also. Now, have you considered the plans of the chief of the Bureau of Operations and the plans of the Chief of the Bureau of Construction and Steam Engineering in connection with this appropriation?

Admiral PARKS. Yes; these matters were all gone over in council, and the estimates as submitted were the result of a conference of the council.

Mr. KELLEY. I know, but when you made these plans asking for \$8,500,000 for this particular item, you had in mind 143,000 men for the Navy and all the ships that could be kept in commission with that number of men, did you not?

Admiral PARKS. I did not pay much attention to the number of men.

Mr. KELLEY. Would it not make a great difference whether you had these ships in commission or not?

Admiral PARKS. It makes some difference.

Mr. KELLEY. The repairs on these yards and cranes and that kind of thing?

Admiral PARKS. It makes some difference, but I am so far below the amount required for the proper expenditure that that did not count very much in the consideration.

Mr. KELLEY. The fact whether you had a certain number of ships or any other number would not make any difference?

Admiral PARKS. Not until I got the amount appropriated that is necessary for the expenditures.

Mr. KELLEY. Well, the eight and one-half million dollars; that was a sufficient sum, in your judgment, to handle all these stations, considering the number of ships they had expected to have in commission and the amount of repairs that were to be made in all these yards and stations during the coming year, was it not?

Admiral PARKS. No; not enough, but enough to reduce—if I had put in all I now think should be there it would be at least \$6,000,000 more. I would put in enough to cut out the whole general expense, if I had my way about it.

Mr. KELLEY. That is to say, if you had your way about it you would pay for the maintenance and repair of all the power plants, locomotives, cranes, and everything movable in the way of machinery, and the upkeep of everything of a permanent character in all the yards and stations?

Admiral PARKS. That is, public works and public utilities.

Mr. KELLEY. Leaving only to be charged against the thing being manufactured the repairs and preservation of tools and machinery of a fixed character, fixed in location?

Admiral PARKS. That is, the purchase of material necessary for them, and its labor and supervision. It does not seem to me that we care to know what the nominal cost is of one thing out of ten thousand, but what we do want is to know what appropriation charges are. Now, this nominal cost includes officers' pay and depreciation and maintenance, repairs on plant. If you are doing \$200,000 of straight charging, material and labor, for your productive output, and you are spending \$200,000 more for overhead, and want to know what it costs for a boat hook, you find that it costs 65 cents for direct labor and material, and can apply the ratio of that overhead on that one item, without much bookkeeping, but if you attempt to carry all of these items of overhead expense daily on every expenditure it takes an immense amount of bookkeeping, and you get a lot of costs that are of no value whatever to you. It is not one item out of one thousand that you want, but you get that one easily.

Mr. KELLEY. Your theory would be this, that you represent the military end of the work, and that you should include all charges in your bureau except those entering directly into the construction, whatever it might be? That is to say, you take the load of the yard off of the construction; that is practically what you suggest?

Admiral PARKS. That is, the general utilities, the public works cost.

Mr. KELLEY. That would make a nice showing, would it not, for the manufacturing end of the yard; they could build ships and armor plate and torpedoes very cheaply if you bore all the expense of the maintenance of the plant, except the immovable machines and the labor and material incident to the building of the particular item?

Admiral PARKS. If you are doing what the other thinks it costs—

Mr. KELLEY (interposing). I know, but you are supposed to shoulder only the military side?

Admiral PARKS. I am supposed to take the general public works and utilities, but in these appropriations I only get the military end of the industrial yard.

Mr. KELLEY. That is the idea. Now, you have really got more than the military end, when you pay for the expense of the trains and the railroad tracks and the locomotives and everything of a movable character about the yard, when you sustain that, why you have taken a big load off of the industrial yards, have you not, and done more than the military features require?

Admiral PARKS. I have not really done so much that way. There is no reason why you should not charge a thing, in making up your costs.

Mr. KELLEY. As a matter of bookkeeping and as a matter of administration, it would seem as though you might be correct to put the whole load of repairs and preservation and maintenance in one

place. I do not see why possibly you could not even repair the machinery in the very shops, although that is probably more a matter of engineering.

Admiral PARKS. I do not think that is a matter of engineering; I do not think that ought to come under this bureau.

Mr. KELLEY. Well, it is very doubtful whether a crane should.

Admiral PARKS. No; I do not think so. That is a public utility.

Mr. KELLEY. What is the difference whether it is a public utility or not, as long as it is used for building a ship and used for handling the plates and used in the construction department?

Admiral PARKS. It is not used entirely there. They use 10 cranes there to-day; to-morrow they use one; the engineering department is using some one day; the next day the contractors are using some.

Mr. KELLEY. The fact is, if you do not repair these things, the other bureaus do and charge it in total accounts, and it comes out of the Treasury just the same?

Admiral PARKS. It does.

Mr. KELLEY. And the only question is whether or not suitable limitations should be put upon the other bureaus, after we have decided how much to give you.

Now, have you any suggestions to make as to limitations on the other bureau?

Admiral PARKS. My suggestion is, do not cut it.

REPAIRS.

Mr. KELLEY. I know, but it is wide open now. Where do they get the money for repairs.

Admiral PARKS. You make an appropriation for construction.

Mr. KELLEY. Yes; we appropriated in one place \$31,000,000 this last year, and in another place \$31,000,000 and in another place \$20,000,000 and every dollar of that can be used for repairs, and that is \$82,000,000 in a year in other bureaus for repairs.

Admiral PARKS. I do not know whether it can—

Mr. KELLEY (interposing). What is it put there for?

Admiral PARKS. I think they include classified required for the increase of the Navy.

Mr. KELLEY. No; there is a repair item under steam engineering of thirty-odd million dollars last year, and under construction and repairs of thirty-odd million dollars.

Admiral PARKS. My understanding was they had to carry the technical force for the increase of the Navy also out of that.

Mr. KELLEY. That is possible that might be so, but that is a minor amount, of course. Then, in addition to that, the Ordnance Department had \$20,000,000 or \$17,500,000 for repairs, so that repair funds laid around everywhere.

Admiral PARKS. Yes; but those are specifically for repairs on ships.

Mr. KELLEY. But when we get this sum here, a reasonable sum for the purposes of taking care of the military side, then we are doing no injustice to the other side to require them to take care of the repairs out of the funds that we appropriate for that purpose?

Admiral PARKS. Well, I do not know whether you are doing any injustice or not; I hardly think you are, but I think you are putting the thing in such shape that it is very difficult to control; that is, the feature that appears to me now is that this system is uncontrollable.

AUTHORITY OVER WORK IN NAVY YARDS.

Mr. KELLEY. Let me ask you another question, then. Is there very much confusion in authority in navy yards under the present organization?

Admiral PARKS. Well, there is a little.

Mr. KELLEY. Who is really the boss of the navy yard?

Admiral PARKS. I think there are two.

Mr. KELLEY. What are their titles?

Admiral PARKS. One is the commandant and the other is the industrial manager.

Mr. KELLEY. So, when we have the industrial manager, there are two directing authorities?

Admiral PARKS. The commandant in New York says so.

Mr. KELLEY. Who is supposed to be the superior?

Admiral PARKS. There are certain matters that the commandant of the yard has under his jurisdiction.

Mr. KELLEY. He is the military officer?

Admiral PARKS. He is the military officer; yes, sir.

Mr. KELLEY. Suppose you had a piece of work to do at the New York yard, would you take any orders from the commandant there?

Admiral PARKS. I send my work in the New York yard to the commandant.

Mr. KELLEY. I know you tell him what to do, and Admiral Taylor tells him what to do, and Admiral Griffin tells him what to do, and who else gives him instructions?

Admiral PARKS. Admiral McVey.

Mr. KELLEY. Admiral McVey tells him what to do, and then who sends the ships up there to be repaired?

Admiral PARKS. Operations.

Mr. KELLEY. He says "Here, lay aside all this other and repair this ship," does he?

Admiral PARKS. When the work is ordered, the commandant says he has no control over it; says the industrial manager has.

Mr. KELLEY. Is it not really this kind of an organization, that four or five bureaus here attempt to operate these navy yards independently?

Admiral PARKS. There might be something of that kind.

Mr. KELLEY. What does the commandant do when orders are given which cause conflict in the use of a tool in the yard?

Admiral PARKS. The captain of the yard looks into it and should see which one has precedence; if he thought there is one; that is the old practice.

Mr. KELLEY. Does he decide that?

Admiral PARKS. That used to be the custom.

Mr. KELLEY. Suppose the chief of operations wired out to repair this ship?

Admiral PARKS. The chief of operations has not any control over money.

Mr. KELLEY. He would have to do that through Admirals Taylor or Griffin?

Admiral PARKS. Yes.

Mr. KELLEY. Suppose they say "We are using that tool in the construction of a building for Yards and Docks," then what would he do?

Admiral PARKS. If the commandant found that precedent of work required to shift that tool, he would do it. The whole thing is that some years ago each bureau had a representative in the navy yard to look after his work, and at that time of reorganization it was provided that the only representative of the bureau on the yard should be the commandant, and that he should be the representative of all the bureaus, so they changed the title of the officers at the head of the yard departments, to have them different from the bureaus which they had formerly represented. "Yards and Docks" becomes the public works in the navy yard; and the Bureau of Steam Engineering becomes the Engineering officer. They changed those and according to the rules the commandant is the only representative; these other people are his officers to whom he assigns the work as he sees fit.

Mr. KELLEY. They are up there subordinate to him?

Admiral PARKS. Yes, sir.

Mr. KELLEY. But who are his superiors down here?

Admiral PARKS. Directing superiors, the bureau chiefs, or the Secretary's council.

Mr. KELLEY. And of course it does lead to some cross purposes?

Admiral PARKS. Some, but not much.

Mr. KELLEY. You try to adjust your matters here so that there will be no confusion in the various yards?

Admiral PARKS. But very little, I think. One or two cases have come up that were rather large, but—

Mr. KELLEY (interposing). Now, if your appropriation were used only for the buildings, grounds, streets, piers, and everything of a fixed and permanent character in these various yards, and everything else put onto the works, how much could it be reduced?

Admiral PARKS. I do not know. Temporarily it might be a lot, but after quite a few years' experience in the navy yards, I would expect a rise shortly after it was put down. I think it would be very poor policy.

Mr. KELLEY. You mean to say, there would be other demands for money which would more than make up the difference?

Admiral PARKS. I would not be surprised if the machine that now costs \$1,000 would cost \$3,000 very shortly.

Mr. KELLEY. Why?

Admiral PARKS. Because I think our supervision is worth the money.

Mr. KELLEY. Your supervision over movable machinery, locomotives, cranes, and tools of that character, make it unnecessary, of course, for somebody else in one of the other bureaus, who might use those tools, do duplicate your work, and because of the fact that they are movable in their character, they are added to the jurisdiction that you have over buildings and grounds?

Admiral PARKS. Public utilities.

Mr. KELLEY. Leaving the inside of a shop and the tools that are there to the various other bureaus?

Admiral PARKS. Yes.

Mr. KELLEY. Now, that is practically where the jurisdiction ends, is it?

Admiral PARKS. All public utilities are under my bureau.

Mr. KELLEY. As to the division of expenses, how does that divide the upkeep of a yard?

Admiral PARKS. I do not quite get the idea of that question.

Mr. KELLEY. Well, you take charge of the locomotives, cranes, wharves, piers, buildings, and the power plant, and pay the operating expenses of running them, and the other bureaus, Steam Engineering and Construction and Ordnance, pay the operating expenses in the way of repairs and maintenance of the other tools and machinery of the various shops. Where is the greater burden, on you or on the others, for maintenance and repairs?

Admiral PARKS. Why, I rather think it is on the others; I can not quite tell what this maintenance means, but here is an increase of maintenance in one yard of \$14,679,000 in two years. My maintenance in that yard was not more than \$2,000,000 in that period; in fact, was less than a million and a half, so that practically one-tenth of what is entered up in the Paymaster General's report as maintenance would be taken care of by Yards and Docks at that place those two years. Now, there are some of these others that I have looked at a little more carefully and still do not quite understand. There is \$15,000,000 increase of maintenance at Hampton Roads; that is, all the work was within a year and a half, and our maintenance there was not over \$600,000 for those two years, or that year and a half, during the first period of construction. So I should say that Yards and Docks practically gets not more than one-third of it, and probably somewhere between that and one-tenth, of all that is put up as maintenance.

Mr. KELLEY. It is a very elastic thing, is it not?

Admiral PARKS. It is.

Mr. KELLEY. There really is not any very accurate basis for this particular appropriation?

Admiral PARKS. No; not since they began to charge it into general expense. It was a very irritating proposition years before.

Mr. KELLEY. How much was this item in 1916 in your bill?

Admiral PARKS. It was \$1,595,495, with a deficiency of \$52,000.

Mr. KELLEY. And you are asking for \$8,500,000?

Admiral PARKS. Yes.

Mr. KELLEY. It does not look as though they were running backward any?

Admiral PARKS. It ought not to; we have got more than twice the plant, with the rates of pay more than twice as high. I think I saw a statement in the paper recently, day before yesterday, that the ratio was 1.70.

Mr. KELLEY. Have we got more than twice the plant?

Admiral PARKS. We have got more than twice the plant.

Mr. KELLEY. How do you figure that?

Admiral PARKS. From the value of 1916 and the present value.

VALUE ADDED TO NAVY YARDS SINCE 1916.

Mr. KELLEY. How much have we added to the value of the navy yards since 1916?

Admiral PARKS. Roughly, \$250,000,000.

Mr. KELLEY. That ought to be in pretty fair shape.

Admiral PARKS. That ought to be in pretty fair shape on the east coast.

Mr. KELLEY. You would not recommend that we spend any money for new construction of any sort on the Atlantic this year, would you?

Admiral PARKS. Except to carry out work that is under way.

Mr. KELLEY. \$250,000,000 have been added, and you are asking for an increase of about \$7,000,000 to take care of that \$250,000,000?

Admiral PARKS. Yes; something like that.

Mr. KELLEY. That \$250,000,000 is made up largely of new construction?

Admiral PARKS. Shops and water fronts, and docks and power plants, buildings.

Mr. KELLEY. Does that represent the additional value, or does that include just repairs, as well as new extensions, replacements?

Admiral PARKS. No; those are increases.

Mr. KELLEY. How much have we put on them in the way of repairs and replacements since 1916?

Admiral PARKS. That is a hard thing to get out of the Paymaster General's report. That, I think, is included in his term "maintenance"; he does not make any special return for repairs.

Mr. KELLEY. From your experience with these different plants, what would you say had been put on them in the way of replacements, where an old plant has been turned out and a new one put in, like a power plant?

Admiral PARKS. Power plants that were put up and practically added.

Mr. KELLEY. They just let the old ones stand?

Admiral PARKS. The old ones are there. But about the only replacement is in the New York yard, where a certain part of the yard was entirely rebuilt.

Mr. KELLEY. Of course, we built up those yards during that time to handle the Navy that had 550,000 men in it. How we are going to prevent such an enormous establishment from eating us up with maintenance charges on portions that can not be used and will not be used in ordinary times of peace?

Admiral PARKS. That will happen if all of the plant is kept up.

Mr. KELLEY. Is it necessary to keep up as much this year as we had last year at all these yards and stations?

Admiral PARKS. I am not prepared to say how much work there is that ought to be put in the yards, but—

Mr. KELLEY (interposing). That all depends on how much we give for repairs to vessels?

Admiral PARKS. The amount you give for repairs to vessels would depend on how much is to be done, but that may not be as much as the Bureau of Construction and Repair, and Engineering, considered necessary, and Ordnance. I have not read all of Admiral Griffith's report, but I have heard he has intimated pretty large repairs necessary to destroyers' engines. Now the destroyers have not had very much in the last year and a half, since they have gone out to the west coast, so there may be a great deal of work that ought to be done.

Mr. KELLEY. Those all have to be brought back on this side, do they?

Admiral PARKS. No; they will do the work out on that side.

Mr. KELLEY. Where will they do that work?

Admiral PARKS. As far as they can, at Mare Island and Bremerton.

Mr. KELLEY. And the rest in San Francisco and Los Angeles?

Admiral PARKS. I think they can do some at Los Angeles.

Mr. KELLEY. Yes; there is quite a big shipbuilding yard at Los Angeles. Well, in a general movement to close down some of these great expansions, navy yard expansions, have you any policy to suggest?

Admiral PARKS. As far as navy yard expansions are concerned, I do not think that anything should be done to get rid of them.

Mr. KELLEY. Suppose we closed down a yard, would that decrease the amount of your requirements for the yard?

Admiral PARKS. It might increase mine, for I would probably have to take charge of it as a closed yard. I guess it would decrease them all right, though.

Mr. KELLEY. You would have all your railroads and all that wear and tear to be replaced that you would not have to replace?

Admiral PARKS. You would not have that, but there would be quite a lot of watchman forces, etc., probably in excess of what we have now.

Mr. KELLEY. What do you want us to do with the Squantum property?

Admiral PARKS. I am waiting to hear what the members of the Naval Committee who went up the other day have to say.

Mr. KELLEY. I say, what do you want us to do?

Admiral PARKS. Well, there is value enough in there to consider a while whether we want to charge it all off to construction of vessels or not.

Mr. KELLEY. How much would it cost us to maintain it as a closed work?

Admiral PARKS. I am rather inclined to think it would cost us a couple of hundred thousand dollars a year.

Mr. KELLEY. How large a plant is that; how many people do they accommodate in shipbuilding?

Admiral PARKS. They had about 10 ships on the ways, I think, at one time.

Mr. KELLEY. That would be how many men?

Admiral PARKS. And three or four in the fitting-out place

Mr. KELLEY. They were destroyers, were they not?

Admiral PARKS. Destroyers. Now, that was just assembling the material; it was not fabricated there.

Mr. KELLEY. The shops are limited?

Admiral PARKS. There was very little in the way of shops; it is principally an assembling shed. I should say they might have had 5,000 or 6,000 people employed in there very comfortably.

Mr. KELLEY. How many acres does it cover? Have you anything in this for that place?

Admiral PARKS. No; not specifically. It is under Boston estimates.

Mr. KELLEY. Is there \$200,000 in here for that?

Admiral PARKS. Well, considering that as part of the Boston Navy Yard.

Mr. KELLEY. How far away from Boston is it?

Admiral PARKS. About 5 or 6 miles.

Mr. KELLEY. And your estimates include \$200,000 for that?

Admiral PARKS. You see, we are using it as storage place only now: the place is supposed to be dead storage. The things that make me uncertain about it are the value of the land, the predicament we are in on the thing, or the railroads are in, I do not know which to call it, and whether we may be able to get the land at reasonable value or not, and then the bridge connection to Dorchester.

Mr. KELLEY. The plant belongs to us now?

Admiral PARKS. It is there, it belongs to us, we have paid for it.. The only thing we have not paid for is the land.

Mr. KELLEY. That is subject to some adjustment?

Admiral PARKS. Yes. It seems to me it is worth while to keep that for a little while until we see whether it is going to pay to make a destroyer and Eagle base out of it or not. I do not think it is going to pay to dredge any great depth of water up to that place.

Mr. KELLEY. Is there any work in the yards going on this year of any kind that will not be going on next year on behalf of the Government any new or different kinds of work?

Admiral PARKS. Something in the way of public works and improvements, perhaps, this year.

Mr. KELLEY. We had to put in the ships that we took over during the war, all those are repaired and returned to their owners, are they not?

Admiral PARKS. I do not know whether they are or not.

Mr. KELLEY. Are any of those in the navy yards?

Admiral PARKS. I think some of them are there yet.

Mr. KELLEY. Those will all be out before next year, will they not?

Admiral PARKS. I should think so, but I have not any cognizance of those ships.

Mr. KELLEY. Admiral, you ought to be able to help us agree upon a policy of reduction of expense, which has piled up here since the war. We started in giving you for 1916, \$1,500,000. Now, if we double it, that would be \$3,000,000; trebled, it would be \$4,500,000, and you are asking that it be multiplied by almost six; six times as much as you had before the war. We are going the wrong way. It appears to me that we ought to begin to retrench and curtail some of the activities at these plants, to a point where the expense would not be so great. You have a good knowledge of the navy yard situation as a whole, and you should be able to suggest to us some policy of retrenchment, so that we can begin to come into a position where part of these plans will be in active use and part out of use, or simply held in readiness for an emergency, so we can keep up the potential value of the yards without actually carrying on the expense incident to a going concern up to the full limit of what they are at the present time, or have been heretofore.

AUTOMOBILES AND MOTOR TRUCKS.

Admiral PARKS. There are one or two points on motor equipment. I have tabulated statements of the different types of cars at the different stations, giving the total cars at each station, making for motor passenger cars 375 in commission and 156 in storage.

Mr. KELLEY. Are the 156 old cars or new cars?

Admiral PARKS. Four of them are new Cadillacs.

Mr. KELLEY. And the others are used cars?

Admiral PARKS. Used cars.

Mr. KELLEY. I notice that you have 19 cars at the Charleston navy yard; what is the necessity of so many cars there, are those in storage?

Admiral PARKS. No; those are the ones in commission. One is surveyed to be sold, 10 are not assigned for use, they are practically in storage, two are surveyed, but the survey is not approved yet, public works department, 1; board of sales, 1; commandant, 1; public works department, another; yard dispensary, 1; assistant commandant, sixth district, 1. Those are the ones in use.

Mr. KELLEY. How many are in use?

Admiral PARKS. Six.

Mr. KELLEY. The first naval district has 10. Why do you need 10 automobiles in that district office?

Admiral PARKS. The public works department 1—

Mr. KELLEY (interposing). This is the Boston office?

Admiral PARKS. Boston is the location of the first district office. Seven, commandant and commandant's office; 1, aide for supplies; 4 at Hingham; 1 at Fall River; 4 at Quincy; 1, recruiting office; 1, East Lynn; 1, Chatham; 1, Bar Harbor—that is a motor cycle.

Mr. KELLEY. Why should there be four at Hingham?

Admiral PARKS. On account of the inspectors on the ship construction of the Bethlehem Shipbuilding Co.

Mr. KELLEY. Does every inspector have an automobile?

Admiral PARKS. I think there is one for the hull inspector, another for the cost inspector, another for machinery, and another for ordnance.

Mr. KELLEY. Is that economical and necessary?

Admiral PARKS. It seems to be considered so.

Mr. KELLEY. By whom?

Admiral PARKS. By the bureaus under whom the inspectors serve.

Mr. KELLEY. Were the inspectors furnished with automobiles before the war?

Admiral PARKS. They were not before the war.

Mr. KELLEY. Is not this a good time to stop?

Admiral PARKS. It is a question whether the cost of a Ford adds to the cost of inspection or decreases it.

Mr. KELLEY. These men drive their own cars?

Admiral PARKS. A good many of them do. I am not prepared to give you that information this morning. It is going to take all to-day and probably to-morrow to get that information.

Mr. KELLEY. How much does it cost to run a Ford a year, if nothing is paid for the chauffeur?

Admiral PARKS. Pretty nearly \$500 a year.

Mr. KELLEY. If a chauffeur is provided, that makes an additional expense of how much?

Admiral PARKS. Something over \$1,000; \$1,100.

Mr. KELLEY. So in a case where a chauffeur is provided it means an expenditure of about \$1,600 for each car?

Admiral PARKS. Something like that. I think the one at Buffalo costs \$1,700, including garage hire, so that would be about \$1,600, probably, for a Ford with a chauffeur.

Mr. KELLEY. That includes the rent of the garage?

Admiral PARKS. \$1,700 at Buffalo.

Mr. KELLEY. Who assigns the cars to the inspectors?

Admiral PARKS. The Assistant Secretary approves the assignment. When the request comes in, I get my authority for action on that request from the Assistant Secretary.

Mr. KELLEY. If he requests you to assign a car, of course, you do it, because he is your superior officer?

Admiral PARKS. Yes, sir. When I receive such a request I make an inquiry of the necessity from the bureau whose business is presumably facilitated by the car, and when the bureau has said that it is necessary, then I send that correspondence to the Assistant Secretary and request instructions.

Mr. KELLEY. They have 6 Ford cars in the Boston yard and 10 in the first district, which is the Boston district. That makes 16 cars in use.

Admiral PARKS. I think that it is practically impossible to reduce the demand.

Mr. KELLEY. No; you could not reduce the demand.

Admiral PARKS. Because there is a commandant of the district organization and a commandant of the yard right there in the same place.

Mr. KELLEY. Is not the commandant of the yard and the commandant of the district the same individual?

Admiral PARKS. They are not in the first district.

Mr. KELLEY. They could be just as well as not?

Admiral PARKS. That is a thing for Operations.

Mr. KELLEY. I know, but you are familiar with the work of both the commandant of the yard at Boston and the commandant of the district, and could not both duties be performed by the same man without any trouble, and save all these extra cars?

Admiral PARKS. I believe so; but that is probably due to my ignorance of just what the commandant of the district is doing. At Philadelphia the same man is commandant of the district and the yard.

Mr. KELLEY. At Boston they are different men?

Admiral Parks. Yes.

Mr. KELLEY. And different men in New York?

Admiral PARKS. In New York and San Francisco. There is a different proposition at Norfolk where the commandant of the district is not the commandant of the navy yard, but the commandant of the operative base.

Mr. KELLEY. He has other duties besides being the commandant of the district?

Admiral PARKS. He has base duties.

Mr. KELLEY. He has plenty of time down there to perform all the duties of the district and to take care of the base besides?

Admiral PARKS. I believe he has.

Mr. KELLEY. You have not heard any complaints from him that he was overworked?

Admiral PARKS. No; he has not made any complaint to me. Since I changed the public works officer there in May I have found that the public works of the base and of that district could be very readily combined, with a reduction of something like \$160 a day in

the clerical and technical force, which reduction was made. Those offices were consolidated.

Mr. KELLEY. Could not the same thing be done in the public works department in the third district, only with better results?

Admiral PARKS. I do not think that as large a reduction in force could be made in the third district. The third district is not quite as new a proposition as the naval base at Hampton Roads. I think the inspection force at Hampton Roads was rather larger so far as public works are concerned, than it was in any of the other districts, but it would cause a little reduction in force and a great deal of reduction in trouble.

Mr. KELLEY. In what respect would it reduce trouble?

Admiral PARKS. I think on account of having the same officer there as public works officer of the yard and public works officer of the district—the offices are considerably separated, one in the navy yard, of course, where it has always been, but the district office is at the supply base in South Brooklyn. That same public works officer is responsible to the commandant of the district for district work and the commandant of the yard for the yard works, and there is not a relationship between the two commandants that puts one in command of the other. One may think that he is not getting all the duty from the public works officer that he ought to have, that he is at the other place when he should be in his place. That has been brought out in the officer's efficiency reports, the last few semi-annuals, but the Secretary has not been willing to increase the number of officers on account of the district organization, and he required me, when the districts were put into operation, to give some civil engineer in that region additional duty as public works officer of the district. It has worked fairly well, except in the case of New York, where the commandant of the yard wants him at the yard all the time, and, of course, he can not be there.

Mr. KELLEY. If he had the district work in the yard, then he could easily supervise both without the loss of time, going from one place to the other?

Admiral PARKS. The public works officer could.

Mr. KELLEY. Is not the same thing true of all the other divisions?

Admiral PARKS. I should think it might be, but I am not familiar with the other departments.

Mr. KELLEY. Do you know how many officers are maintained in the district organization?

Admiral PARKS. I think there is construction and supply—I think they call that matériel and supply.

Mr. KELLEY. Which would correspond with the construction bureau in the department here?

Admiral PARKS. I am not sure whether that matériel aide covers one bureau or two.

Mr. KELLEY. It may be Steam Engineering and Construction?

Admiral PARKS. Yes, sir. I know for a while in the fifth district that Watts, who was the manager at Norfolk yard, was the aide in the district, and, of course, he is a constructor. There was a supply aide. I am not sure how many others there were, but the districts are so particularly an operations affair that as Chief of Yards and Docks I do not feel qualified to have much of an opinion about them.

Mr. KELLEY. That is the district that is organized, in general, along the same lines, maintaining about the same bureaus or divisions, whatever you seek to call them, as you will find in the Navy Department in Washington?

Admiral PARKS. I think so, generally.

Mr. KELLEY. Each one of the district organizations is a sort of a minor Navy Department?

Admiral PARKS. I have heard it expressed that way.

Mr. KELLEY. That is, they are a navy department for a certain district, so far as the organization goes?

Admiral PARKS. I am not sure that they are all organized on the same plan. That district was considered important by Admiral Benson, when he was Chief of Operations, and all the districts were started before time could be taken to develop all of the details. I understand that he gave more or less freedom to the different district commandants in organization with an idea that he would develop from the experience the details for the proper organization. As I have not paid much attention to that, I do not know whether they have all been gotten down on the same basis or not.

Mr. KELLEY. What control does the district commandant have over the commandant of the different yards?

Admiral PARKS. I think he has no control over the commandant of the navy yard.

Mr. KELLEY. What are his duties?

Admiral PARKS. I understand that his principal duties are in control of the vessels attached to the district.

Mr. KELLEY. Are other vessels attached to the district, independent of the vessels attached to each yard?

Admiral PARKS. I am not quite clear on that. The vessels at the yard, I think, are included in the list of district vessels, but the control over certain vessels is in the hands of the commandant of the yard, and I think they are all on the district list.

Mr. KELLEY. All the district vessels, practically, are at some naval station or navy yard, except possibly the yacht or some small craft for the use of the commandant of the naval district?

Admiral PARKS. No; there is quite a list in the naval district, and many of them are not necessarily at the yard.

Mr. KELLEY. You mean a list of vessels that are not in use, that are tied up at some dock somewhere?

Admiral PARKS. No; not necessarily.

Mr. KELLEY. What use would a district officer have for a ship independent of a navy yard in that district?

Admiral PARKS. He is an officer for the defense of the district. I do not like to give that offhand. There was a general order four or five months ago that went through the bureaus and received the bureaus' approval, so far as they were concerned, I have only a hazy recollection of it just at this time. That could be very definitely shown by the general order with the list of district vessels.

Mr. KELLEY. The thing you are sure of is that it is an extra and unnecessary expense?

Admiral PARKS. No; I am not sure of it, but I have a feeling that the commandant of the principal activity and the commandant of the district could be—

Mr. KELLEY (interposing). Consolidated?

Admiral PARKS. I have a feeling of that sort.

Mr. KELLEY. Based on information?

Admiral PARKS. Based on my observation, but I say it is an Operation's affair, and I have not had enough to do with the enrolled reserve proposition to know how much it amounts to and how necessary it is to have a separate commandant in charge of that.

Mr. KELLEY. The commandant at New York, the third naval district, has 18 automobiles. What does he do with all of those cars? There are 3 Dodge cars, 3 Haynes, 1 National, 4 Oldsmobile, 1 Packard—they are running pretty good cars, besides having a lot of them.

Admiral PARKS. I have not the details for that district.

Mr. KELLEY. You do not know why they need them?

Admiral PARKS. I have a list, but I have not it here. The third district is left out of this list. I have a complete list showing the assignment of each car at each place.

Mr. AYRES. And the purpose for which used?

Admiral PARKS. Yes, sir. That ought to be here. I am short several of those lists, apparently, this morning.

Mr. AYRES. Could that be supplied for the record?

Admiral PARKS. I have that all in shape. It is a pretty large collection of data.

Mr. KELLEY. How extensive is the third district; what are the limits?

Admiral PARKS. That district extends from the eastern end of Connecticut, taking in the whole of Connecticut and New York, and north of Ocean County, I think, in New Jersey, or possibly leaving out the county just north of Ocean County.

Mr. KELLEY. It is rather a compact district?

Admiral PARKS. Yes, sir. It also includes Vermont.

Mr. KELLEY. There are plenty of trolley cars and street cars up there that will carry you almost anywhere you want to go?

Admiral PARKS. Of course, the work at the aviation field might be very much interfered with if you attempted to use the railroad.

Mr. KELLEY. They might need some motor transportation. How many automobiles have you assigned to the entire Navy Department in Washington?

Admiral PARKS. I think we have three at the departmental garage assigned to the department. We have just started some work at Bellevue that requires one temporarily. We have one in the garage although it belongs to the Washington Navy Yard.

Mr. KELLEY. You have three automobiles assigned to all the officers in the Navy Department at Washington?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And 18 for the commandant and his force in the third naval district at New York?

Admiral PARKS. Yes, sir. We had, I think, 13 or 14 at the garage a little over a year ago, but we cut out all but three at that time.

Mr. KELLEY. The fourth district is Philadelphia?

Admiral PARKS. Yes, sir.

Mr. KELLEY. They have 34 automobiles altogether. They have 3 Dodges, 18 Fords, 3 Hudsons, 1 National, 4 Oldsmobiles, 1 Packard, 2 Reos, and 2 Wintons, making a total of 34 automobiles in the third naval district. I suppose that cars like the Packard, Winton, National, and Reo would be entitled to chauffeurs?

Admiral PARKS. Probably they have chauffeurs on most of them.

Mr. KELLEY. Probably all but the Fords. What would be the automobile expense, in your judgment, in the third district with the 34 cars?

Admiral PARKS. Offhand, I should say that the cost for those 34 cars would be in the neighborhood of \$60,000 a year.

Mr. AYRES. It would not be that much?

Admiral PARKS. Yes, sir.

Mr. KELLEY. If they had chauffeurs?

Admiral PARKS. It would cost over \$1,000 for a chauffeur in New York. It costs over \$4 a day for a chauffeur at present. Last year I put in a table on the automobiles, ambulances, and motor cycles, giving the station, by whom used, and the purpose of use, and the trucks and purpose of use, in the hearings on pages 2008 and 2009.

Mr. AYRES. In the third district?

Admiral PARKS. No; that is the whole lot.

Mr. KELLEY. Admiral, by making the commandant of the district at Boston, New York, and Mare Island the commandant of the yard at those places, would it not be possible to save rent, save commutation of quarters, heat and light, release the officers for other assignment, save expenses incident to the separate staff for these independent commandants, save money for maintaining and operating automobiles and other vehicles for the commandants, and release enlisted men detailed in the capacity of servants to these independent commandants?

Admiral PARKS. I think I can say yes to everything you have in that question. I can say yes generally, from my viewpoint.

Mr. KELLEY. And it would be bound to reduce the expenses?

Admiral PARKS. I believe so; I feel sure of it, but that comes under the operations side and the necessity of it, of course, they know and I do not.

Mr. KELLEY. As to the necessity, we are not considering that now; we are only considering the expense.

Admiral PARKS. I can not express an opinion on the expense.

Mr. KELLEY. As a matter of expense, it is far less economical than it would be to consolidate the offices?

Admiral PARKS. There would be a reduction in the matters you have mentioned by the consolidation.

Mr. KELLEY. There are 13 automobiles assigned to the fourth naval district at Philadelphia. How far does that district come down this way?

Admiral PARKS. The State of Delaware.

Mr. KELLEY. They have 1 Chandler, 10 Fords, 1 National, and 1 Packard. I suppose the general use is the same as you detailed for the other district, namely, for inspectors and other persons attached to the office of the commandant?

Admiral PARKS. On just that service. It is a section base, there is Cape May, the public works officer, the commandant officer, two officers of transportation, the commandant, officer for repair, and hospital service, transportation of personnel, two; ship to navy yard, Public Health Service Hospital, three; ship to navy yard, one; ship to Newport, R. I.; at the Naval Air Station, Lakehurst, public works officer, one, and six motor cycles. No other cars there.

Mr. KELLEY. What place is that?

Admiral PARKS. Lakehurst, N. J., air station, where we are building a big hangar. That is in the fourth district.

Mr. KELLEY. In the fourth district you have 13 cars and 6 motor cycles. How many motor cycles have you in the third district?

Admiral PARKS. The third district is the one I have not the details for here.

Mr. KELLEY. At the Great Lakes Training Station they have 21 cars: 1 Alco, 15 Fords, 2 Nationals, 1 Oldsmobile, and 2 Packards—making 21.

Admiral PARKS. The two Packards are for the commandant's official use.

Mr. KELLEY. Why could not he get along with one Packard very comfortably?

Admiral PARKS. I suppose that one Packard is in the shop a lot of the time, but one ought to be enough.

Mr. KELLEY. That is quite an expensive article?

Admiral PARKS. It is.

Mr. KELLEY. Is one an old car?

Admiral PARKS. No; those cars are not over three years old.

Mr. KELLEY. What does it cost a year to run two Packards? I suppose one chauffeur would take care of both of them.

Admiral PARKS. I do not think they have civilian chauffeurs on those cars. I think the enlisted men probably drive the training station cars.

Mr. KELLEY. What would be the upkeep of two Packard cars with the ordinary use?

Admiral PARKS. In view of the fact that I am going to give you a detailed statement of the cost of the cars, I fear my guess may be very far off, but I should say \$3,000 for two Packard cars without chauffeurs; but that may be a thousand dollars either way for two of them. The Alco is used for recruiting duty. The Kissel is surveyed for sale. The National is used by the executive officer. The Oldsmobile by the public-works officer.

Mr. KELLEY. There are two Nationals?

Admiral PARKS. The other is used by the commanding officer of the place. The Fords are used by the provost marshal, the Fifteenth Regiment of Aviation, the station disbursing officer, the commanding officer, the Red Cross relief general duty, passenger service, the executive office, the board of sales, general duty passenger service, Medical Department three. Three Studebaker busses in dead storage.

Mr. AYRES. You have not got those?

Admiral PARKS. Those are busses, and they are in dead storage. There is a Dodge bus used for the Hospital Corps and a Diamond T bus, general passenger service, two of them.

Mr. KELLEY. You have a lot of cars not on this sheet?

Admiral PARKS. I have been reading the buses and ambulances.

Mr. KELLEY. How about the Dodge?

Admiral PARKS. That is a Dodge bus. There is one more Ford touring car received from Detroit on survey request when we closed up the work at the Eagle plant. In dead storage there is a Reo, another Ford, an Armleder bus, two more touring Fords, two Chandlers, two Cadillacs, a Ford ambulance in storage, received from the Dunwoody Institute in Minneapolis when we closed that training school.

Mr. AYRES. For what purpose are all of these busses used?

Admiral PARKS. They are used for the transportation of enlisted men.

Mr. KELLEY. From where to where?

Admiral PARKS. Some of them were used mostly during the war, I think, between the Great Lakes and stations in Chicago.

Mr. KELLEY. How many miles is it from the Great Lakes to the Pennsylvania station at Chicago?

Admiral PARKS. Approximately 35 to 40 miles.

Mr. KELLEY. What other way is there to get there?

Admiral PARKS. By the North Western road and the electric road.

Mr. KELLEY. It is easy of access, close to the North Western road and the electric road?

Admiral PARKS. They both have stations right alongside the main entrance now, practically. In fact, we have a subway down under the tracks connecting the two parts of the station and the station entrance of the North Western is from that subway.

Mr. AYRES. So far as the Government is concerned, it would be more economical to transfer the soldiers by the electric road than to maintain all these vehicles?

Admiral PARKS. You noticed most of them are on dead storage now.

Mr. AYRES. I noticed that.

Mr. KELLEY. You mean by dead storage that they are not in use?

Admiral PARKS. Yes; waiting some transfer to other use. The fact is, that we are short of storage space for motor equipment that is not in use. The Great Lakes has been a convenient place to store some of that material during the last year. We have quite a lot of storage room there. The rest of it is nearly all in Pelham Park, N. Y., which we abandoned, and in Hampton Roads.

Mr. AYRES. Is there any provision of law whereby you could dispose of this motor material that you have no further use for?

Admiral PARKS. We can survey and sell that material without doubt. The law, of course, provides for the purchase of a certain number of cars. Last time there was authority, but that authority did not appear in the last bill.

Mr. AYRES. That was done during the war?

Admiral PARKS. Yes, sir. It is a question whether further authority will appear in the bill at an early date for purchase, and it is true, I believe, that a certain part of the work can be done economically by the use of cars. Just how many cars we need for that useful work has not been determined, and until that is done I do not like to sell a car than can be repaired at a reasonable price. So, I have been holding a lot of these cars in storage that otherwise would have been sold.

Mr. AYRES. Who determines what work can be done by the cars?

Admiral PARKS. I have estimates from the yards for repairs on each of the cars that are now in service and have some further estimates from the manufacturers of some of the cars.

Mr. AYRES. I guess you did not understand my question. Who determines what work can be done economically by the use of these cars—the reason you gave a few moments ago for not having disposed of them?

Admiral PARKS. I think there are two general classes of officers who can determine that, the commandants and the chiefs of the

bureaus, whose work is being performed. I generally get my request with the commandant's action, either personally or otherwise, for a car, and send that to the bureau concerned for a further statement as to the necessity of the car in the opinion of the bureau.

Mr. AYRES. You have to rely almost exclusively on the opinion of the commandant?

Admiral PARKS. And the chief of the bureau concerned. Just take, for instance, Baldwin, N. Y. I had a feeling that they had not much use for a car there. I was simply interested in reducing the automobile expense; I had nothing to do with Baldwin; I had no work going on there. I found that the car was at Baldwin for the inspectors on account of the Bureau of Ordnance, and so I asked Ordnance if they were now ready to take that car away, and they said "No, we have so much work there that we need the car at the present time." I then had knowledge of the work there and was not dependent upon the commandant of the district for that information. The same way with the construction car used at Garden City; the construction officer knows that he is doing a certain amount of aviation work at Garden City that can be facilitated by the use of the car. I must rely on their knowledge.

Mr. AYRES. Suppose that the commandant of the fourth district at Philadelphia makes a request for a car, that would come to you?

Admiral PARKS. Yes, sir.

Mr. AYRES. Then you would submit that request to the Assistant Secretary of the Navy?

Admiral PARKS. After getting certain information; yes, sir.

Mr. AYRES. Suppose that you made no recommendation to the Assistant Secretary of the Navy as to whether or not the commandant at Philadelphia should have this car, or even if you said to the Assistant Secretary of the Navy that you believed, in your opinion, that it was not necessary, still if the Assistant Secretary of the Navy should say to order the car, you would have to do it?

Admiral PARKS. Yes, sir..

Mr. AYRES. After all, you have to rely upon the commandant of the yard and also the Assistant Secretary of the Navy?

Admiral PARKS. On the chiefs of the bureaus.

Mr. AYRES. Those two men can order as many cars as they see fit under existing law?

Admiral PARKS. As long as the cars are available; they can not buy any.

Mr. KELLEY. And the appropriation for repairs holds out?

Admiral PARKS. That does not make any difference. We put it on general expenses if maintenance is not sufficient.

Mr. KELLEY. I think you stated yesterday that about one-third of this appropriation, "Maintenance, Yards and Docks," is for transportation?

Admiral PARKS. No; I did not mean that, not a third of the appropriation, "Maintenance," but that a third as much as was appropriated for "Maintenance" was due to "Transportation," but only a part of that went to "Maintenance." The rest of it went to "General expenses" and to other appropriations.

Mr. KELLEY. That is, your total expenses for transportation would be in the neighborhood of \$2,500,000?

Admiral PARKS. A little more than that, I think, for 1920. In the industrial yards \$2,956,240.92 was for transportation, which

included the motors and the railroad transportation. I think I estimated about two-thirds of that for motor transportation.

Mr. KELLEY. That would be about \$2,000,000?

Admiral PARKS. Yes, sir.

Mr. KELLEY. How much would the entire transportation item be, including the outside yards and naval districts?

Admiral PARKS. That means adding up about 20 columns.

Mr. KELLEY. You can approximate it pretty well, and put the exact figure in the record.

Admiral PARKS. \$360,000 for other stations, actually \$483,118.37

Mr. KELLEY. That would make about \$2,360,000?

Admiral PARKS. No; that is transportation that should be added to the \$2,900,000, and then possibly two-thirds of that for the motors.

Mr. KELLEY. Of the \$2,200,000 for motor transportation how much would you say was for passenger automobiles?

Admiral PARKS. \$450,000 to \$500,000.

Mr. KELLEY. Of the \$500,000 for passenger automobiles, how much of it is borne by the item "Maintenance, Bureau of Yards and Docks"?

Admiral PARKS. That is a hard thing to get at.

Mr. KELLEY. Most of it?

Admiral PARKS. No. I think much more than half is sent through general expenses to other appropriations. Transportation has been charged to general expenses, instead of to maintenance at the industrial yards.

Mr. KELLEY. Do you not think that you have estimated the passenger automobile expenses rather too low out of the \$2,200,000, only \$500,000, leaving \$1,700,000 for trucks?

Admiral PARKS. I do not think so. I went into that carefully, and my estimate was \$450,000. I think that that is probably pretty near; \$450,000 to \$500,000.

Mr. KELLEY. How many automobiles are there in the service?

Admiral PARKS. Three hundred and seventy-five.

Mr. KELLEY. Of course, a great many of them are Fords. I notice that there is an allowance for automobiles at Rio Janeiro and Buenos Aires.

Admiral PARKS. Those are for the naval attachés.

Mr. KELLEY. When did we start to furnishing automobiles for the naval attachés?

Admiral PARKS. I think within a year.

Mr. KELLEY. I notice that they do not use Fords?

Admiral PARKS. No, sir; I think the allowance is \$3,000 a year for a Reo.

Mr. KELLEY. Do you know whether the naval attachés have a special allowance over and above their pay?

Admiral PARKS. No, sir; I do not.

Mr. KELLEY. To take care of their expenses abroad?

Admiral PARKS. I do not know.

Mr. KELLEY. How do you happen to assign them two cars at Buenos Aires and Rio Janeiro?

Admiral PARKS. By direction of the department.

Mr. KELLEY. You will put in the record this entire sheet on the automobile situation.

Admiral PARKS. I will do so.

(The statement referred to is as follows:)

Statement of passenger automobiles in use and in storage under the Bureaus of Yards and Docks at navy yards and stations, Oct. 1, 1920.

Comparative Vowel Motility [57]

See Charleston yard.

NAVAL APPROPRIATION BILL, 1922.

These ammunition depot.

Statement of passenger automobiles in use and in storage under the Bureau of Yards and Docks at navy yards and stations, Oct. 1, 1920—Continued.

Place.	Activity	Total.
PASSENGER CARS IN USE—con.		
Fort Worth, Tex.	Helium plant.	1
Charleston, S. C.	Fuel depot.	2
Charleston, S. C.	Constable Hook	1
East La Nouile, Me.	do.	1
Port-au-Prince	do.	1
	Engineer in chief.	2
Total.		236
PASSENGER CARS IN STORAGE.		
Boston, Mass.	Yard.	
Brooklyn, N. Y.	Third district.	
Charleston, S. C.	Yard.	
Great Lakes, Ill.	Training station.	
Hampton Roads, Va.	Operating base.	
Newport, R. I.	Training station.	
Norfolk, Va.	Yard.	
Philadelphia, Pa.	do.	
Do.	Fourth district.	
Washington, D. C.	Yard.	
San Francisco, Calif.	Twelfth district.	
Total.		24
	1	4
	1	102
	1	2
	1	2
	1	5
	2	156

Statement of motor trucks in use under the Bureau of Yards and Docks at navy yards and stations, compiled from monthly reports.

Place.	Activity.	
Boston, Mass.	Navy yard	
Charleston, S. C.	do	4
Mare Island, Calif.	do	5
New York, N. Y.	do	2
Norfolk, Va.	do	11
Philadelphia, Pa.	do	2
Parsippany, N. H.	do	1
Pearl Harbor, Hawaii	do	5
Puget Sound, Wash.	do	5
Washington, D. C.	do	1
Cavite, P. I.	Naval station	
Guam	do	1
Key West, Fla.	do	1
New Orleans, La.	do	1
Pearl Harbor, Hawaii	do	1
St. Thomas, V. I.	do	1
First naval district		
Eight naval districts		
Hampton Roads, Va.	Operating base	
Annapolis, Md.	Naval Academy	
Great Lakes, Ill.	Training station	
Newport, R. I.	do	
San Francisco, Calif.	Receiving ship	
Bay Ridge, N. Y.	do	
Hingham, Mass.	Training camp	
Gulfport, Miss.	Proving ground	
Indianapolis, Md.	do	
Dahlgren, Va.	Ammunition depot	
Fort Mifflin, Pa.	do	
Irons Island, N. Y.	do	
Lake Denmark, N. J.	do	
Fortsomouth, Va.	Ordnance plant	
South Charleston, W. Va.	Mine depot	
Yorktown, Va.	Air station	
Anacostia, D. C.	do	
Cape May, N. J.	do	
Coco Solo, Canal Zone	do	
Lakehurst, N. J.	do	

Statement of motor trucks in use under the Bureau of Yards and Docks at navy yards and stations, compiled from monthly reports—Continued.

Place.	Activity.	2	Jeffrey.
Pensacola, Fla.	Air station.....	.....	International.
Rockaway, Long Island, N. Y.	do.....	.....	Hudson.
San Diego, Calif.	do.....	.....	Hall.
Philadelphia, Pa.	Aircraft factory .....	.....	General Vehicle.
Coco Solo, Canal Zone	Submarine base .....	.....	G. M. C.
New London, Conn.	do.....	.....	Gatord.
San Pedro, Calif.	do.....	.....	F. W. D.
Astoria, Ore.	Radio station .....	.....	Ford.
Bar Harbor, Me.	do.....	.....	Flinn.
Eureka, Calif.	do.....	.....	Federal.
Key West, Fla.	do.....	.....	Famous.
Keichikan, Alaska	do.....	.....	Elwell-Parker.
Marsfield, Oreg.	do.....	.....	Eglin.
Machend City, N. C.	do.....	.....	Electric.
Point Isabel, Tex.	do.....	.....	Dort.
Point Kaye, Calif.	do.....	.....	Dodge.
Annapolis, Md.	Naval hospital .....	.....	Bufrord.
Brooklyn, N. Y.	do.....	.....	Cadillac.
Charleston, S. C.	do.....	.....	Chandler.
Chelsea, Mass.	do.....	.....	Clinton-Gham.
Fort Lyon, Colo.	do.....	.....	Denby.
Great Lakes, Ill.	do.....	.....	Diamond T.
Hampton Roads, Va.	do.....	.....	Dort.
Key West, Fla.	do.....	.....	Dodge.
Mare Island, Calif.	do.....	.....	Dodge.
Newport, R. I.	do.....	.....	Dodge.
Norfolk, Va.	do.....	.....	Dodge.
Pearl Harbor, Hawaii	do.....	.....	Dodge.
Pensacola, Fla.	do.....	.....	Dodge.
Philadelphia, Pa.	do.....	.....	Dodge.
Puget Sound, Wash.	do.....	.....	Dodge.
San Diego, Calif.	do.....	.....	Dodge.
Washington, D. C.	do.....	.....	Dodge.
Albany, N. Y.	do.....	Recruiting station.
Florence, Ala.	do.....	Jacksonville, Fla.
Jacksonville, Fla.	do.....	Milwaukee, Wis.

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NAVAL APPROPRIATION BILL, 1922.

Statement of motor trucks in use under the Bureau of Yards and Docks at navy yards and stations, compiled from monthly reports—Continued.

Place.	Activity.	Total
Boston, Mass.	Navy yard.....	41
Charleston, S. C.	do.....	37
Mare Island, Calif.	do.....	53
New York, N. Y.	do.....	50
Norfolk, Va.	do.....	4
Philadelphia, Pa.	do.....	2
Portsmouth, N. H.	do.....	6
Puget Sound, Wash.	do.....	1
Washington, D. C.	do.....	1
Cavite, Philippines	Naval station.....	2
Guanan,	do.....	1
Key West, Fla.	do.....	1
New Orleans, La.	do.....	1
Pearl Harbor, Hawaii	do.....	1
St. Thomas, V. I.	do.....	1
First naval district	do.....	1
Fifth naval district	do.....	1
Sixth naval district	do.....	1
Eighth naval district	do.....	1
Hampton Roads, Va.	Operating base.....	10
Annapolis, Md.	Naval Academy.....	1
Great Lakes, Ill.	Training station.....	1
Newport, R. I.	do.....	1
San Francisco, Calif.	do.....	1
Bay Ridge, N. Y.	Receiving ship.....	3
Hingham, Mass.	do.....	1
Gulfport, Miss.	Training camp.....	1
Indianhead, Md.	Proving ground.....	2
Dahlgren, Va.	do.....	4
Fort Monmouth, N. J.	Ammunition depot.....	2
Iona Island, N. Y.	do.....	1
Lake Denmark, N. J.	do.....	6
Portsmouth, Va.	do.....	2
Puget Sound, Wash.	do.....	2

¹ See naval operating base.

⁴ See Charleston navy yard.

Shipment of motor trucks in use under the Bureaus of Yards and Docks at navy yards and stations, compiled from monthly reports—Continued.

Place.	Activity.	Total.	
		Recruiting station	do
Brooklyn, N. Y.	do	1	1
Buffalo, N. Y.	do	1	1
Chicago, Ill.	do	1	1
Cleveland, Ohio	do	1	1
Dallas, Tex.	do	1	1
Denver, Colo.	do	1	1
Des Moines, Iowa	do	1	1
Detroit, Mich.	do	1	1
Florence, Ala.	do	1	1
Houston, Tex.	do	1	1
Indianapolis, Ind.	do	1	1
Jackson, Miss.	do	1	1
Jacksonville, Fla.	do	1	1
Kansas City, Mo.	do	1	1
Louisville, Ky.	do	1	1
Macon, Ga.	do	1	1
Manchester, N. H.	do	1	1
Milwaukee, Wis.	do	1	1
Nashville, Tenn.	do	1	1
Newark, N. J.	do	1	1
New Haven, Conn.	do	1	1
New Orleans, La.	do	1	1
New York, N. Y.	do	1	1
Oklahoma City, Okla.	do	1	1
Omaha, Neb.	do	1	1
Orlando, Fla.	do	1	1
Parkersburg, W. Va.	do	1	1
Pearl, Ill.	do	1	1
Pittsburgh, Pa.	do	1	1
Portland, Me.	do	1	1
Providence, R. I.	do	1	1
Raleigh, N. C.	do	1	1
Richmond, Va.	do	1	1

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Admiral PARKS. We have another sheet on trucks, or a distribution sheet.

Mr. KELLEY. The trucks, of course, are used in the industrial yards almost exclusively, I suppose.

Admiral PARKS. The supply bases are pretty heavy.

Mr. KELLEY. What is the total number of trucks under your jurisdiction in use at yards and stations?

Admiral PARKS. I think the total is in the last sheet. It is 1,307.

Mr. KELLEY. How many trucks did we have before the war?

Admiral PARKS. Very few. As I recall it, we had less than 50 trucks throughout the whole establishment.

Mr. KELLEY. That ought to greatly reduce our freight bills, having all those trucks, I should think.

Admiral PARKS. It has reduced our cartage bills very much.

Mr. KELLEY. Is cartage separate from freight?

Admiral PARKS. I am not quite sure how those charges are made up. Freight is charged when there is transportation from one locality to another, and I think the cartage is not charged in the freight going from the storehouses to the railroad.

Mr. FRENCH. Unless you have enough goods to handle to warrant men being employed all the time, it would be a good deal cheaper to have it done through cartage, would it not, than to have your own men and automobiles?

Admiral PARKS. If you have not enough to keep your trucks busy, yes, sir; but at New York, where we have quite a lot of trucks, we were hiring about 200 trucks every day.

Mr. FRENCH. I can see how in a place like that it would possibly be more economical to have your own trucks and drivers.

Admiral PARKS. And those trucks were costing about \$35 per day, whereas the trucks we were maintaining ourselves would cost about \$15 per day, including everything, drivers, supplies, and the repairs. There is about \$20 difference on the 5-ton truck.

Mr. KELLEY. You have 37 trucks at Charleston, S. C. How many men are employed down there?

Admiral PARKS. I have not that detail.

Mr. KELLEY. Can you give me approximately the number? It is on that sheet as 1,842.

Admiral PARKS. That is the number of men employed in the yard, including the nonclassified.

Mr. KELLEY. That is the nonclassified employees. There would be 2,500 men at the outside. Are the railroads and other delivery points so located, or are they so far from the yard, that it requires a larger percentage of trucks there, or are they small trucks?

Admiral PARKS. I do not think they are using that number of trucks.

Mr. KELLEY. Are they in storage?

Admiral PARKS. Those are the trucks we had on hand there after the war.

Mr. KELLEY. Do you know how many are in actual use?

Admiral PARKS. I do not know how many are in use.

Mr. KELLEY. Do you assign the trucks for use?

Admiral PARKS. I assign the trucks to the yards, and I get quarterly reports. When I get this table I am working up to-day, it will show that information.

Mr. KELLEY. Have you assigned that number of trucks to the yard upon the theory that some of them are to be in storage, and others to be used, or do they use as many as they see fit?

Admiral PARKS. As many as they need.

Mr. KELLEY. Are you paying storage anywhere on trucks?

Admiral PARKS. No, sir; I do not think we are paying any. The only exception may be at New York, and I am not sure that we are paying any there.

Mr. KELLEY. I notice that at the Great Lakes Station there are 100 trucks.

Admiral PARKS. We are not using all of them, of course. That is a storage place for trucks that have come in from the midwest stations.

Mr. KELLEY. I notice that the naval districts do not use any trucks.

Admiral PARKS. I guess we have the localities of those districts separated.

Mr. KELLEY. The naval districts use passenger cars and the yards use trucks, so far as this shows the situation.

Admiral PARKS. But there are places in the districts where the trucks are used. We probably have Rockaway down there by itself instead of putting it as a part of the third district.

Mr. KELLEY. Rockaway was on the other sheet, was it not?

Admiral PARKS. I am not sure.

Mr. KELLEY. There are certain automobiles at Rockaway?

Admiral PARKS. Yes, sir; Rockaway is down here.

Mr. KELLEY. In other words, the number of automobiles used in the naval districts is in excess of the number used at the various stations in the districts?

Admiral PARKS. Yes, sir. Now, that is a little bit confused this year, because I have been making allotments for the inspectors' cars through the districts, and I did not do that the year before.

The CHAIRMAN. What percentage of the truck maintenance is paid out of this item we are considering?

Admiral PARKS. Most of it is general expense.

Mr. KELLEY. I notice that there are 20 trucks at Pensacola, Fla. Are they in storage, or in actual use?

Admiral PARKS. They are using some of them, but they do not need all of them for their present activities.

Mr. KELLEY. How about the automobiles for recruiting stations: Do you keep them up?

Admiral PARKS. Yes, sir; under the last law I have had to furnish the automobiles. I furnished about \$83,000 worth this year.

Mr. KELLEY. If we do not have any recruiting next year, that \$83,000 expense could be stopped.

Admiral PARKS. I should think so. We have not estimated for the recruiting service.

Mr. KELLEY. Do you furnish the automobiles for the Marine Corps' recruiting too?

Admiral PARKS. No, sir.

Mr. KELLEY. Where do they get their cars—from the Army?

Admiral PARKS. No, sir; they get them from their own appropriation, but under the last bill I was to furnish everything in the Navy,

except ordnance and medicine and surgery, and the Ordnance was to make its reports on our forms.

Mr. KELLEY. Is there any other information relative to automobiles and trucks that will be of use to us in connection with your appropriation for maintenance of Yards and Docks?

Admiral PARKS. Unless it is the statement that we have sufficient equipment to take care of the current needs this year, without making the repairs that were needed on the machines that were out of condition.

Mr. KELLEY. That is, when the machines get out of condition, you would lay them aside and get new ones?

Admiral PARKS. We would put them in storage. Whether we are approaching the limit on that, is the question. If we do approach the limit, it will be necessary to put repairs on some of those machines that we retain. We have got to dispose of a lot of them. They are not worth repairing at any price that we can get in the way of estimates from the manufacturers. In the case of Fords, for instance, the estimates for repairs are practically the price of a new car. I have suspected that men who want a new car will put in a bolt out of an old one, or do something of that kind. Some of the other cars, I think, can be repaired more cheaply soon than at present.

Mr. KELLEY. Owing to the reduction in labor and material?

Admiral PARKS. Yes, sir; I think so. I think the estimates have been very high.

Mr. KELLEY. I suppose they are at the high-water mark of prices during the last two years?

Admiral PARKS. That is the way I have looked at it, and for that reason I have made as few repairs as I could.

LABORERS.

Mr. KELLEY. You probably look for a decline of 25 per cent in material and labor?

Admiral PARKS. I look for a fall of from 25 to 30 per cent. If this ratio given of the general average at 1.70 is correct, perhaps 25 per cent is as much as we ought to look for. I had thought that it was above 1.70 until I read that average.

Mr. KELLEY. You find it quite an easy matter now to get men wherever you need them, do you not?

Admiral PARKS. Except common labor at the navy yards. Our rates are so much lower than they are paying on the outside that it is difficult to keep common laborers.

Mr. KELLEY. The common laborer gets less in the navy yard than on the outside, while the skilled laborer gets more?

Admiral PARKS. Yes, sir. There is one job of work that we need to do at the New York Navy Yard in the repair of the bottom of Dry Dock No. 4. It is not in shape for contract work, because it must be done without interfering with the use of the docks. The work will cover a fairly long period of time, and that is a proper job to do by yard labor. That work should have been started a year ago, but we have not been able to keep common labor enough to do the other necessary things.

BOSTON, MASS., DRY DOCK.

Mr. KELLEY. Is there a dock in Boston that is in bad condition?

Admiral PARKS. No, sir; I think the docks in Boston are in good condition. The piers are the ones that are in bad condition, and not the dry dock.

Mr. KELLEY. Are there some piers in Boston that are in bad condition?

Admiral PARKS. They are pretty old, and comparatively few repairs have been put on them. Most of them are piers that should be entirely rebuilt.

Mr. KELLEY. I suppose we could very well afford to await the general survey following the war of the Navy's needs all along the line, and not attempt to bolster up piers at Boston that, perhaps, ought to be removed entirely.

Admiral PARKS. They ought to have been rebuilt. The trouble is that in 1897 we had deep water up to the western end of the yard only, with a big shoal lying between the rest of the yard and deep water, and the piers on most of the water front were built for light ships that could go across that shoal. The shoal has been taken away by the extension of the water front of the yard and by some dredging, and the slips have been deepened to allow ships to come alongside those piers. The spaces between the piers are not sufficient to berth as large ships as they ought to berth there. In first going over the public-works estimates for this year, the council believed that some berthing work should be provided for in this bill.

The first estimate contained, I think, something over \$400,000 for the water front of the Boston Navy Yard; but when we found it necessary to reduce the bill from the first estimates, it was decided that we could wait a little longer. It is something that is desirable, but it might wait. I believe that if we get in good condition financially within the next three or four years, a fairly large amount could be advantageously expended on that water front, but for a year or two I think there are other things that are more important. The commandant of the yard has expressed himself to me rather forcibly, and does not agree with me on that point.

Mr. KELLEY. But that, in your judgment, is an improvement which can well wait until a general survey is made of the navy yards looking to their use on a peace basis?

Admiral PARKS. I do not like to consider a peace basis for any of this proposition. I think that it is much better to consider what the war condition is probably going to be, whether it is liable to occur at a certain time, or not, and, if the time is well estimated, to get ready for it before that time occurs.

Mr. KELLEY. But your idea is not to lay out anything on these piers in Boston at this time?

Admiral PARKS. On account of the general financial condition of the Government, that is true, but it is not because it is not needed.

Mr. KELLEY. How much would it cost to prevent deterioration of the piers at Boston, or could anything be done unless there was a general reconstruction of them?

Admiral PARKS. Yes, sir; there is quite a lot of work that could be done. I have considered that it was desirable to put in an estimate of \$100,000 for repair work on that water front.

Mr. KELLEY. That is included in the next item?

Admiral PARKS. Yes, sir; for repairs and preservation.

Mr. KELLEY. Is there anything else that we discussed yesterday that you were going to present this morning?

WASHINGTON NAVY YARD.

Admiral PARKS. In thinking over the Washington yard, following the discussion yesterday, in which we inferred that nearly everything was gun factory, and I simply mentioned the building of a model tank, I forgot, or at least, I overlooked the fact that it is also the berthing place for the *Mayflower* and *Sylph*, and a certain amount of work has to be done on account of that fact. It is also used by those vessels, and that is not properly a manufacturing work.

Mr. KELLEY. That would require a pretty small sum?

Admiral PARKS. Yes, sir; I have estimated \$20,000 for that purpose.

Mr. KELLEY. Because of the docking of the *Mayflower* there?

Admiral PARKS. On account of the berthing of the *Mayflower* and because of the tanks.

Mr. KELLEY. Why would it cost \$20,000 for that purpose?

Admiral PARKS. It might not cost that much, but we have estimated that amount.

Mr. KELLEY. How could it cost that much, even if the docks are not in good condition?

Admiral PARKS. They are being put in good condition now. They are not altogether in good condition.

Mr. KELLEY. You will have to put in some repairs because of the berthing of the *Mayflower* there?

Admiral PARKS. It is the proper thing to do.

Mr. KELLEY. That would come under repairs?

Admiral PARKS. Yes, sir; repairs.

REPAIRS AND PRESERVATIONS AT NAVY YARDS.

Mr. KELLEY. We will turn to page 63, which covers the running mate of this item, and then we will take up the navy yards in between. This year you had an appropriation of \$3,000,000 for repairs and preservation of navy yards, and \$5,000,000 is asked for. Now, go ahead and tell us your story.

Admiral PARKS. That is not based upon the actual necessities; \$3,000,000 represented practically three-fourths of 1 per cent upon the value of the property upon which we have to make our inspections. I have estimated \$5,000,000 on a percentage basis for the whole thing, rather than any estimates that have come in from the yards. You have a sheet showing the estimates that came from the yards, and I have gone over that since we were speaking about it yesterday. I have cut out furniture, \$1,200; schools, \$400,000; naval courts and boards, \$4,000, and have increased dry docks \$135,000, making \$295,300 against our tabulated statement of \$600,500. The Philadelphia yard I have not changed. At Mare Island I have added \$700,000 on the water-front item.

Mr. KELLEY. This amount for Philadelphia is \$600,000?

Admiral PARKS. Yes, sir. On account of the water front at Mare Island I have changed that item from \$60,000 to \$760,000. We have cut out the items for furniture, schools, and naval courts and boards, making \$1,250,000. That water-front item of \$760,000 is on account of the fresh water that has been scarce, allowing the salt water to get up into the Mare Island Strait and giving the teredo a chance at all the works on the water front. That has weakened the quay wall supports to such an extent that the walls are moving outward, a part of them to such an extent that it has been necessary to tear down the walls and remove the back fill.

The CHAIRMAN. Did the yard authorities there ask for repairs to this water front?

Admiral PARKS. They asked for \$60,000 on that in May, and then they sent on a telegram on November 2 saying that on account of large quantities of fresh water being taken out of the yard the salt water, being up to the yard, has brought in teredo, which has done such damage to the timber work on the water front as to make extensive repairs urgently necessary to prevent the collapse of the structures affected. This estimate of \$760,000 will be required for this purpose.

Mr. KELLEY. I notice on page 51 of the bill that there is carried an item reading as follows:

Rebuilding of timber wharves damaged by teredo and protection of piling under causeway, \$100,000.

Is that the same item you refer to?

Admiral PARKS. No, sir; that item was put in on account of the wharves downstream from the dry dock and the causeway, across the straits from the yard. These are the quay wall supports in front of the yard.

Mr. KELLEY. Do you think that this is immediately necessary?

Admiral PARKS. It looks pretty bad.

Mr. KELLEY. Until the committee can pass upon the whole question out there of navy yard construction, would you not withhold a large appropriation item of this kind?

Admiral PARKS. You are including that in the lump sum for repairs and preservations.

Mr. KELLEY. That is where you are expecting to use it?

Admiral PARKS. Yes, sir; but you are not authorizing any specific expenditure under that.

Mr. KELLEY. But if we gave it, that is where you would spend it, and if it should not be spent there, it should not be included in your lump sum.

Admiral PARKS. I feel rather badly about that place. I looked at it in July, and again in November, and there has been a good deal of change between July and November. It is my belief that the desire to have the Pacific Fleet or large vessels up at the navy yard had caused them to do a little more dredging near the quay wall than they would otherwise have done, and that has made the repairs needed earlier than they would otherwise have been needed. It is in pretty bad shape.

Mr. AYRES. You think that the dredging has undermined the quay wall to a certain extent?

Admiral PARKS. It has not been so much undermined, but it took away the mud protection against the sheet piling, letting the teredo have a better chance. I do not think it is undermined much.

Mr. KELLEY. How do you propose to spend the \$140,000 on grounds under the item of repairs?

Admiral PARKS. Those are to be made on railroad tracks, sewers, pavements, and conduits.

Mr. KELLEY. That seems like a large sum.

Admiral PARKS. It is pretty large.

Mr. KELLEY. How much did you spend last year?

Admiral PARKS. Apparently I have not the sheet here that gives the distribution of expenditures under repairs, but only the one that gives the total for repairs and preservation.

Mr. KELLEY. How much was the total?

Admiral PARKS. \$277,283.67.

Mr. KELLEY. Go ahead with the Norfolk Yard.

Admiral PARKS. At Norfolk we have cut out the schools.

Mr. KELLEY. What do the repairs on schools amount to?

Admiral PARKS. That is for repairs on a building.

Mr. KELLEY. A school building?

Admiral PARKS. A building in which some school is being operated.

Mr. KELLEY. It is probably a summer school, is it not?

Admiral PARKS. No, sir; I do not think so. I think it is some kind of local school, like an apprentice school, or something like that.

Mr. KELLEY. The miscellaneous item consists of unskilled labor, alomst entirely, does it not?

Admiral PARKS. Not necessarily; there might be a large amount of material there.

Mr. KELLEY. It seems to me that if you can detail small items like \$500, a miscellaneous item carrying \$60,000 should be separated in more detail than you have it here.

Admiral PARKS. The only trouble is that we have a certain grouping of items under those definite numbers.

Mr. KELLEY. Give me the details of one of these miscellaneous items. For instance, take the New York yard item of \$60,000, and tell us what it includes.

Admiral PARKS. I would rather leave that until I could get accounting instructions here so that I could give the items that make up that number 19.

Mr. KELLEY. I wish you would do that. That is one of the largest items in the entire statement. You may bring that up this afternoon.

Admiral PARKS. Yes, sir.

Mr. KELLEY. You have cut out \$500 for furniture, leaving \$404,250.

Admiral PARKS. I have cut schools out at three places up to the present time, but I am not sure that it is perfectly desirable.

Mr. KELLEY. Take the item under the New York Yard, of \$400,000 for schools. What does that mean?

Admiral PARKS. I think that is a mistake. I have crossed that out entirely, and I have no estimate there. It is not that much.

Mr. KELLEY. It may be \$4,000.

Admiral PARKS. Yes, sir; it may be \$4,000.

Mr. KELLEY. I suppose it is not figured in the total down there as \$400,000?

Admiral PARKS. I assumed that \$600,000 was correct, and I subtracted the items that I cut out.

Mr. KELLEY. It would be much more than that. I do not know whether it was figured in at \$4,000 or \$40,000.

Admiral PARKS. If it was figured in at \$400, it would make the figure below right. It is \$400. The accounting system is handled in such a way that that \$2,000 shown under Mare Island for naval courts and boards is probably \$2,000 for repairs on a building in which naval courts and boards are held. They separated it, while somebody else included it in the item among buildings generally. Thinking that, I did not change the item below for Puget Sound.

Mr. KELLEY. When they figured \$162,000 for the repair of buildings at Mare Island, did they send you a statement showing the amount that they are going to spend on each building there, or did they estimate the repairs at a certain percentage on some fixed value?

Admiral PARKS. That was the original way of getting at it, on the peace basis.

Mr. KELLEY. That is the way it is done. It is a fixed percentage upon something, regardless of how many repairs were made last year or the year before?

Admiral PARKS. Yes, sir; and they are always shy, because the amount of repairs never is up to the amount of depreciation.

Mr. KELLEY. During the war they had so much money that they probably kept the buildings well fixed up?

Admiral PARKS. Unfortunately, they used the money otherwise than on repairs. They were always short of the amount necessary to do the things that they wanted to do. I do not think they improved the conditions under repairs materially during the war.

Mr. KELLEY. They put up new buildings all over the country, and fixed up old ones, and had a general house cleaning time of it.

Admiral PARKS. I can not find that they fixed up so many of those buildings. They did some of that work.

Mr. KELLEY. You say you have had an increase of \$250,000,000 in improvements and buildings?

Admiral PARKS. An increase over what we had prior to the war.

Mr. KELLEY. That is, in new buildings and improvements to old ones. That is true, is it not?

Admiral PARKS. There were no very material improvements to old buildings.

Mr. KELLEY. While they were constructing great new buildings they did not neglect the old ones, did they?

Admiral PARKS. I think they did quite a lot, but it is hard to make a general statement on that.

Mr. KELLEY. Those buildings that were put up during the war, or that were built so recently, would not need any repairs to speak of now, would they?

Admiral PARKS. Some of them are needing some repairs.

Mr. KELLEY. Would they need repairs in three years? They would not expect to start making repairs on them now, would they? The private owner of a new house would not do that, would he?

Admiral PARKS. He might have to do something on his plumbing system or heating system almost as soon as it was installed.

Mr. KELLEY. In the case of machines that are in constant use, where they were subjected to wear and tear, there might be some

repairs required on them. Of course new machines, new railroad tracks, and new locomotives may require repairs, but with \$250,-000,000 worth of improvements and new buildings, those structures should not need repairs for a year or two anyway.

Admiral PARKS. We have let several go without repairs because we have not had the money with which to repair them.

Mr. KELLEY. You base your estimate for repairs on the value of all the structures, including all this new construction?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That, of course, is excessive, is it not?

Admiral PARKS. I do not think it is. I do not think that 1½ per cent is excessive.

Mr. KELLEY. That might be true five years from now when the buildings are eight years old, but you would not need that percentage now, when they are new.

Admiral PARKS. No, sir; but the trouble is we will not get a sufficient amount for repairs, and when they are eight years old, or five years from now, a big percentage of the value ought to be provided.

Mr. KELLEY. Even if you had it, you would not put repairs on new buildings that were not needed.

Admiral PARKS. No, sir; not if they were not needed; but we are sure to have glass broken in the buildings.

Mr. KELLEY. Take the Navy Department buildings down here; do you have charge of the repairs on those buildings?

Admiral PARKS. No, sir; I do not have charge of those repairs, but I do know something about what is being done.

Lieut. Commander ROUZER. They have made considerable changes in the buildings since they were constructed.

Mr. KELLEY. That is because a new use was being made of them.

Lieut. Commander ROUZER. New activities were put in them.

Mr. KELLEY. That comes under maintenance, does it not?

Admiral PARKS. No, sir.

Mr. KELLEY. You stated yesterday that changing offices around was a maintenance proposition.

Admiral PARKS. I was decidedly misunderstood, then, if you understood me to mean that. Shifting a partition would be not maintenance.

Mr. KELLEY. That is what you are doing down there.

Admiral PARKS. That is what we are doing down there.

Mr. KELLEY. And that would be maintenance.

Admiral PARKS. What is being done is in the way of changes for other uses, but Col. Ridley is making some repairs.

Mr. KELLEY. If you change a partition, you are changing the building, and that, of course, would be a maintenance charge. A repair is something put upon a building to keep it in condition, or in the condition in which it was originally, or to keep it in the use for which it was originally designed. When you change it, that, of course, is another matter. How much will be spent on all of those Navy Department buildings on the Potomac Park grounds next year?

Lieut. Commander ROUZER. The repair of those Navy buildings does not come under our bureau but under the Superintendent of Public Buildings and Grounds.

Mr. KELLEY. You would not expect many repairs to be made down there, would you?

Lieut. Commander ROUZER. Col. Ridley has estimated about \$1,250,000 for the care of public buildings and grounds in Washington.

Mr. KELLEY. I should think it would take even more than that for all the buildings, but I am referring to these Navy buildings.

Lieut. Commander ROUZER. That estimate does not include every public building, but he has certain buildings under his jurisdiction.

Mr. KELLEY. Of course, a great many of those buildings are old. How much do you think will be required for the new buildings in which the Navy Department is now housed?

Admiral PARKS. We might be able to tell how many men Col. Ridley has on this work.

Lieut. Commander ROUZER. About 12 men.

Mr. KELLEY. Twelve men at \$2,000 each, would be \$24,000, which is nothing as repairs go. Do you not think that you made an error in calculating for this year on the basis of your additions and new construction, amounting to \$250,000,000? How much do you figure that the repairs ought to be on the basis of value, or what percentage of the value?

Admiral PARKS. I can not quite say that. I am putting it at 1½ per cent.

Mr. KELLEY. About how much of the \$250,000,000 that has been expended in additions to the navy yards is represented by buildings?

Admiral PARKS. I have had that tabulated, but I do not have it in mind now. The new foundry at Philadelphia is a new building, and, naturally, we would not expect to make much repairs on that, but that building is full of glass on the sides and roof, and the amount of glass breakage in that is appreciable. It might run up to one-fourth of 1 per cent to cover the glass repair work on the building.

Mr. KELLEY. That is about all the repair work you would have on that building for three or four years, is it not?

Admiral PARKS. That is about all we would have. There might be some repair work necessary on gutters and downspouts. Somebody will allow them to get clogged, and the downspouts require repairs.

Mr. KELLEY. Have you the amount there for the new buildings?

Lieut. Commander ROUZER. For the Navy buildings?

Mr. KELLEY. Referring to the \$250,000,000 that the Admiral spoke of as having been added since 1916, about how much of that is for buildings, not including machinery, because the Admiral does not repair machinery?

Admiral PARKS. I submitted a big table of expenditures last year in the report of the hearings, but I am not sure whether I divided it into buildings or other features.

Mr. KELLEY. You would have to have the value of the buildings separate from the machinery in order to make your estimate, because you do not repair machinery.

Admiral PARKS. I did not include machinery in those expenditures.

Mr. KELLEY. Did the \$250,000,000 include any machinery?

Admiral PARKS. No, sir; that represents public works.

Mr. KELLEY. Do you mean to say that we have spent \$250,000,000 for buildings, railroad tracks, power plants, water front improvements, docks, public utilities, etc., in the Navy during the last four years?

Admiral PARKS. Yes, sir.

Mr. KELLEY. How much machinery did you have in addition to that in the shops, or how much inside equipment did you have?

Admiral PARKS. I have no knowledge of those figures.

Mr. KELLEY. It would be vastly more than this, would it not?

Admiral PARKS. No, sir; I do not think so.

Mr. KELLEY. Does it take more to equip a shop than to build it?

Admiral PARKS. The machinery in a shop would cost more than the shop building, but a great many of these buildings were store-houses in which the amount of machinery is small, unless you count elevators and that sort of thing as machinery. There has been a tremendous increase in storage.

Mr. KELLEY. Then, the whole \$250,000,000 expenditure would come under you?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And it would all be represented by new structures?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And you figure the repairs on that at the rate of 1½ per cent?

Admiral PARKS. I think we have about \$450,000,000 worth altogether, including the old and the new.

Mr. KELLEY. You figure 1½ per cent on a value of \$450,000,000?

Admiral PARKS. That would be \$5,000,000.

Mr. KELLEY. If you figured only one-half of that percentage on the new that would amount to a little over \$3,000,000?

Admiral PARKS. A little over \$3,000,000.

Mr. KELLEY. Would that be a liberal allowance?

Admiral PARKS. I do not think it would be found to be a liberal allowance.

Mr. KELLEY. On the basis of 1½ per cent—

Admiral PARKS (interposing). I do not think it would be found to be a liberal allowance when you got through the year.

The Boston water front is in that \$10,000, but those piers ought to be pretty largely repaired, and I changed that to \$100,000, making \$330,000.

Mr. KELLEY. That would take care of the necessary repairs on those piers which the commandant of the yard regards in bad condition?

Admiral PARKS. It would not take care of the repairs needed, but it would take care of quite a lot of them.

Mr. KELLEY. The total is how much?

Admiral PARKS. \$330,000. At Puget Sound we have cut out furniture and schools, but I did not cut out the items of communication, fire protection, miscellaneous military expense, public works, etc. That is in the others, or it is probably in the first three of them. That item should be at Mare Island, Boston, and New York, where they are building piers. By miscellaneous Mil. expense I mean miscellaneous military expense. That probably refers to repairs on the buildings that are used for the commandant of the district.

Mr. KELLEY. That makes a total of how much for Puget Sound?

Admiral PARKS. \$237,600. Olongapo I have left as it is. There is a question between Olongapo and Cavite, but my idea is that until we get more ground at Cavite we must use Olongapo, and we must make the necessary repairs to keep it in condition.

Mr. KELLEY. What is the total there?

Admiral PARKS. \$219,000.

Mr. KELLEY. How much of a navy yard have we at Olongapo? Is it as much as Charleston, generally speaking?

Admiral PARKS. I think Charleston has more facilities than Olongapo.

Mr. KELLEY. Your repairs are much more out there than at Charleston?

Admiral PARKS. There has been a desire to transfer the work from Olongapo to Cavite, but there is not land enough at Cavite, and you must make the land there. I think we had as well make repairs at Olongapo for some years to come.

Mr. KELLEY. You have \$219,990 for Olongapo.

Admiral PARKS. Yes, sir.

Mr. KELLEY. The next is Washington.

Admiral PARKS. We have \$10,000 there for buildings and \$10,000 for water front, making \$20,000. That is on account of the Construction and Repair buildings and of vessels that are used by the President and the department. The Great Lakes we have cut out.

Mr. KELLEY. It is specifically taken care of under the appropriation for Great Lakes.

Admiral PARKS. Yes, sir; and that is the reason we have cut it out. For Portsmouth we have left \$150,000, and for Charleston \$142,800. The third district I have not touched.

Mr. KELLEY. There is something wrong about the Portsmouth estimates. That column foots up \$85,000. This is making money pretty fast.

Admiral PARKS. It should be \$85,000 instead of \$150,000. I have not checked up those totals as much as I should have done.

Mr. KELLEY. Now, we come to the third district again. What buildings and grounds are you repairing in the third district?

Admiral PARKS. Ulmer Park is a part of that third district. I do not know what to say about the estimates for the third district.

Mr. KELLEY. Suppose we cut them out, then. How many buildings have you in South Brooklyn?

Admiral PARKS. Two main buildings, 700 feet by 200 feet, eight stories high, the power house, and then the aircraft storage building.

Mr. KELLEY. Those are all new buildings?

Admiral PARKS. Yes, sir. Whether they have some temporary buildings which they are still using or not, I am not sure.

Mr. KELLEY. The fact is that you do not know whether they need the \$109,000 or not?

Admiral PARKS. I am sure they do.

Mr. KELLEY. With the new buildings, practically all storehouses, \$109,000 is a lot of money.

Admiral PARKS. We have \$16,000 on the railroad tracks and grounds, \$45,000 on buildings, and then the park.

Mr. KELLEY. And \$21,000 for miscellaneous?

Admiral PARKS. Yes, sir. That is practically all useful for the South Brooklyn matter and the Ulmer Park.

Mr. KELLEY. How much is our investment at South Brooklyn? How much property have we there?

Admiral PARKS. About \$14,000,000.

Mr. KELLEY. That includes the real estate?

Admiral PARKS. The real estate is only about \$500,000.

Mr. KELLEY. Would not the land where the buildings are located be worth more than \$500,000?

Admiral PARKS. I think about \$500,000 is what we paid. We ought to have another lot, but it has not been appropriated for.

Mr. KELLEY. Are there buildings on that?

Admiral PARKS. There is a power plant on the third lot.

Mr. KELLEY. A new power plant?

Admiral PARKS. Yes, sir; put up for the supply base. It is a heating plant—it is not an electric plant.

Mr. KELLEY. This is just an estimate based probably on the value of the grounds and the buildings there without relation to the needs of the coming year?

Admiral PARKS. That is an estimate of the needs.

Mr. KELLEY. I say without any relation to the needs?

Admiral PARKS. No, sir. For one month I have a detailed statement of some \$5,600.

Mr. KELLEY. That would be how much?

Admiral PARKS. That would be \$65,000; that is on the basis for that amount per month.

Mr. KELLEY. This is \$109,500?

Admiral PARKS. Yes, sir; that is for the district. Ulmer Park is also in the district, and there may be some other place.

Mr. KELLEY. What is there at this Ulmer Park in the way of buildings?

Admiral PARKS. Four buildings.

Mr. KELLEY. Just temporary cantonment buildings?

Admiral PARKS. No, sir; brick buildings.

Mr. KELLEY. How do you happen to have permanent buildings there?

Admiral PARKS. We did not put them there, we hire them.

Mr. KELLEY. You rent them?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Does the owner take care of the repairs?

Admiral PARKS. We have to take care of the property.

Mr. KELLEY. Who is the owner?

Admiral PARKS. I do not know.

Mr. KELLEY. It is not the City of New York?

Admiral PARKS. No; a private concern.

Mr. KELLEY. How much do you pay for these buildings?

Admiral PARKS. I have not that; that is paid out of Pay, Miscellaneous.

Mr. AYRES. Did you lease the ground and erect the buildings?

Admiral PARKS. No; we leased the ground and buildings.

Mr. KELLEY. If we moved out of there we would save the repairing and the rent?

Admiral PARKS. Yes, sir. As soon as they get rid of the vessels that they are trying to sell, I imagine they can get away from it.

Mr. KELLEY. Are there a number of men watching the vessels?

Admiral PARKS. I do not know how many. I visited the works about a year ago.

Mr. KELLEY. Out of what fund are they paid, out of this miscellaneous item, \$21,000?

Admiral PARKS. I did not notice any civilian people on that place the day I went down there.

Mr. AYRES. That is the only reason for maintaining the station, to take care of vessels that are to be disposed of?

Admiral PARKS. That is the purpose of it. They are getting rid of the vessels as fast as they can.

Mr. AYRES. Could not those vessels be moved to some other point with little expense?

Admiral PARKS. We are pretty short of space for vessels, for the vessels that we have everywhere, and it is hard work to properly take care of those vessels. Some of them asked me for an allotment for mooring which costs \$23,000, to put in the mooring to take care of six destroyers. I have not the \$23,000 to spare. I have borrowed about \$125,000 out of the naval supply fund for that thing at San Diego, and I am trying to get money enough in maintenance so I can square up that account; I have not done it yet.

Mr. KELLEY. The \$109,500 you want to remain as it is?

Admiral PARKS. Yes, sir.

Cavite looks all right to me now.

Pearl Harbor looks pretty mild, I think that ought to be more, but the public works officer had been stationed there nearly a year when he put in that estimate.

Mr. KELLEY. And he ought to know?

Admiral PARKS. I am willing to take his statement for it now.

Newport Melville, that is the repair of the plant. Newport training station is cut out.

Mr. KELLEY. What about the torpedo station, are we to cut that out?

Admiral PARKS. Cut that out. That is under Repairs of Ordnance.

Mr. KELLEY. And Hampton Roads?

Admiral PARKS. I think if Capt. Stanford had been at Hampton Roads more than a few days when he made that estimate he would have put in a considerably larger estimate.

Mr. KELLEY. He would have become informed of the traditions?

Admiral PARKS. He was ordered there with instructions to see that those traditions were somewhat modified.

Mr. KELLEY. The estimate is \$62,640, one of the largest places you have.

Admiral PARKS. I think that is entirely too small.

Mr. KELLEY. Capt. Stanford was one of your predecessors down here, Chief of the Bureau of Yards and Docks. How long was he chief?

Admiral PARKS. Four years.

Mr. KELLEY. He would not make a mistake down at Hampton Roads—that is one of the great naval bases where you need everything kept up well?

Admiral PARKS. He knows why he went there, to reduce expenses.

Mr. KELLEY. And he succeeded?

Admiral PARKS. He has succeeded very well.

Mr. KELLEY. You do not want to upset his work?

Admiral PARKS. He has not succeeded as well as he thought he was going to.

Mr. KELLEY. If we change these figures on him he will succeed still less.

Admiral PARKS. I am not changing them, I am just giving you my idea of the thing. I thought we could get the maintenance down to \$750,000, but we could not do it.

Mr. KELLEY. If Capt. Stanford had made the estimates, under your instructions, for all the navy yards and stations, would he have been able to effect the same economy that he has at Hampton Roads?

Admiral PARKS. No, sir; I do not think so. I think Hampton Roads is a special case. Hampton Roads is entirely new, so far as naval work is concerned, it is an operating base. Perhaps there is not anything there that has not been in temporary form in some other place, but this is the first time it has been segregated and it started with a lot of naval reserves available and it possibly started with more people doing something on the base than it would if it had been necessary to hire the people for that purpose. It is always hard work to reduce. We have reduced it quite a lot, but possibly not to the extent that we can ultimately.

Mr. KELLEY. What is our investment in buildings and grounds at Hampton Roads?

Admiral PARKS. About \$15,000,000 or \$16,000,000. A large part of it is in ordinary buildings.

Mr. KELLEY. Really, it is a much more difficult type to keep in repair than much of the other new construction?

Admiral PARKS. Quite a lot more.

Mr. KELLEY. And yet by careful examination and scrutiny of the needs of the yard, he asks for only \$62,640 for repairs?

Admiral PARKS. When the naval committee or some members of it went down there a year ago they thought that one building ought to be very materially fixed up, the power plant, and it was suggested that I do it out of my available appropriation, if possible. I have not been able to do it yet, but that building would cost over \$60,000 to take care of.

Mr. KELLEY. You can let that go, they are not being pressed for buildings.

Admiral PARKS. I have let it go for over a year.

Mr. KELLEY. Let us go to Guam. You want more at Guam than at Hampton Roads. What have we there?

Admiral PARKS. We are trying to do some things at Guam.

Mr. KELLEY. We have no buildings there of any value, have we?

Admiral PARKS. I think you probably have heard more from the chief of operations than I will be able to tell you.

Mr. KELLEY. The buildings he had reference to will not need repair.

Admiral PARKS. At Guam we have about 44 buildings.

Mr. KELLEY. They are just temporary, cheap structures?

Admiral PARKS. Yes, sir; nearly all of them.

Mr. KELLEY. Like the ordinary cantonment?

Admiral PARKS. They cost less than \$5,000 each. There is a general naval hospital and the old radio station—

Mr. KELLEY (interposing). I suppose just small buildings that would accommodate a few men?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Perhaps, four or five men each?

Admiral PARKS. Yes. At the watershed there is \$15,000 for a dam. At Piti, 11 buildings, none of them over \$3,000. Cabares

Island, four of them, \$5,000. Asan, four of them, \$1,000 and under. Eleven magazines under \$1,500, but one, and that is \$1,525. The marine barracks are taken care of out of another appropriation.

Mr. KELLEY. What is the total value, about a million dollars or so ?

Admiral PARKS. No; I think possibly less than that.

Mr. KELLEY. You make an allotment in accordance with what the commandant out there thinks he needs to take care of the temporary buildings ?

Admiral PARKS. I generally make it a little less than he thinks he wants.

Mr. KELLEY. Without any knowledge on your part of what there is there in the way of actual need for repairs ?

Admiral PARKS. \$783,000 is the book value of the plant.

Mr. KELLEY. Is that the value of the buildings ?

Admiral PARKS. The buildings and grounds.

Mr. KELLEY. The grounds did not cost anything. Probably a good big price at that.

Admiral PARKS. I should not be at all surprised.

Mr. KELLEY. How much did you spend there last year ?

Admiral PARKS. \$46,800.

Mr. KELLEY. Take New London.

Admiral PARKS. New London is a submarine base. There is nothing else that can take care of the submarine base expenditures, and it comes under "Navy yards and stations," \$56,900. Key West, I have left, \$53,680. The San Francisco training station is cut out. In the fourth district I have left \$46,000.

Mr. KELLEY. Without any special reason for it ?

Admiral PARKS. That is to take care of a part of the aircraft buildings that are being used by the district offices for the work at Lewes and the subbase at Cape May.

Mr. KELLEY. Those are all outside of the League Island Navy Yard ?

Admiral PARKS. All except the aircraft factory; that is run separately.

Mr. KELLEY. Have you not estimated for taking care of that in your Philadelphia items ?

Admiral PARKS. I have not. That has been going separately. I have left that out of maintenance. From my point of view, it should be put in the navy yard.

Mr. KELLEY. Have we some naval clothing factories there ?

Admiral PARKS. Not in Philadelphia, except for the marines.

Mr. KELLEY. You do not have anything to do with that ?

Admiral PARKS. No, sir; that work is done out of the marine appropriations. Guantanamo is all right. Tutuila—

Mr. KELLEY (interposing). Why should not Tutuila have as much as Guam ?

Admiral PARKS. There is very much less there.

Mr. KELLEY. Tutuila is not a very important post ?

Admiral PARKS. No, sir.

Newport, War College, cut out.

Mr. KELLEY. That is taken care of by a special appropriation ?

Admiral PARKS. That is under Navigation.

Mr. KELLEY. San Diego ?

Admiral PARKS. The fuel base I have left in. Gulfport, I have cut out.

Mr. KELLEY. Why leave in San Diego, they have an appropriation of their own?

Admiral PARKS. But they have buildings and machinery. I do not believe it is desirable in fuel and transportation to cover any repairs on the permanent plant.

Mr. KELLEY. So far as the repair of the buildings, grounds, power plant, floating equipment, and so forth, you think that should be made by your bureau?

Admiral PARKS. All except the floating equipment. I think the floating equipment should be handled by Construction and Repair.

Mr. KELLEY. What would there be left for the Bureau of Supplies and Accounts to handle?

Admiral PARKS. To operate it.

Mr. KELLEY. It says, "Repair of machinery?"

Admiral PARKS. Repair of machinery—I think it is rather a big affair—our paymaster is not a construction man.

Mr. KELLEY. It is only a small item and if you add that it will not need to be done by somebody else. You will spend a lot more if you do not do it in the right way—it is only \$8,150?

Admiral PARKS. I have left Gulfport out. I do not know what to do about it. It is not contained in the training stations provided for under navigation; it may be under the temporary training camps that a year ago I had authority to take care of. Nothing has been done except to continue it. They have some men down there. I understand that it has been a very economical thing to have 600 or 800 men who are in training there to go to Gulfport rather than somewhere else.

Mr. KELLEY. The next you will not need?

Admiral PARKS. I think not.

Mr. KELLEY. That column is eliminated and San Pedro is eliminated?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That makes a total of how much that you have asked for?

Admiral PARKS. I have not added that up.

Mr. KELLEY. It appears to be \$4,262,287. You will put in the record a statement showing the total all the way through.

Admiral PARKS. I will do so.

(The statement referred to follows:)

Statement of distribution of "repairs and preservation, 1922," among the various yards and stations.

Mare Island.....	\$1,222,000	New Orleans.....	\$72,000
New York.....	695,300	Hampton Roads.....	62,640
Philadelphia.....	600,000	Guam.....	60,000
Norfolk.....	404,250	New London.....	56,900
Boston.....	330,000	Key West.....	53,600
Puget Sound.....	237,600	Fourth district.....	46,000
Olongapo.....	219,900	Guantanamo.....	44,417
Charleston.....	142,800	Tutuila.....	24,000
Third district.....	109,500	Washington.....	20,000
Cavite.....	108,300	San Diego (base).....	14,000
Pearl Harbor.....	96,000		
Portsmouth.....	85,000	Total.....	4,690,207

Mr. KELLEY. In your experience with repairs, what is the proportion of labor to material?

Admiral PARKS. Well, it is only a guess, but it would be half and half, I think. There are certain classes of repairs where the material would be very little and the labor would be very large, as in the case of ordinary plumbing repairs. In the case of some building of ours the material would run greatly in excess of the labor. There is such a variety of this work that the proportion can not be accurately stated.

Mr. KELLEY. You think it would be about 50 per cent for each?

Admiral PARKS. I should say it would be fifty-fifty.

Mr. KELLEY. In the case of new construction, it is about 75 per cent labor and 25 per cent material, is it not?

Admiral PARKS. That depends on what you are doing.

Mr. KELLEY. But for repairs you think that 50 per cent for each would be about right?

Admiral PARKS. I think that would be about right.

Mr. KELLEY. These estimates, of course, were made last spring?

Admiral PARKS. They were made last May.

FLUCTUATIONS IN PRICES OF MATERIALS.

Mr. KELLEY. You use quite a bit of lumber of various kinds, do you?

Admiral PARKS. Yes, sir.

Mr. KELLEY. What kind of lumber do you use mostly?

Admiral PARKS. I think we use much more yellow pine on the east coast and Douglas fir on the west coast for our work.

Mr. KELLEY. I notice in the wholesale price to the retail trade that yellow pine as late as November 1, 1920, was quoted at \$124.50.

Admiral PARKS. What was the grade?

Mr. KELLEY. Yellow pine, long leaf, $1\frac{1}{8}$ by $2\frac{1}{2}$ face.

Admiral PARKS. That is yellow pine flooring. I would like to compare it with the timber schedule.

Mr. KELLEY. In November the quotation on that material was \$124.50, and on January 1, 1921, it was quoted at \$110. That would be a decline of more than 10 per cent.

Admiral PARKS. Does that give the 1914 and 1916 prices for the same grade?

Mr. KELLEY. No; I did not ask them to go back that far.

Admiral PARKS. I think it was probably \$45 or \$48 at that time.

Mr. KELLEY. It was \$124.50 in November, and, of course, there has been a great deal of fall since last spring.

Admiral PARKS. That might have been in the neighborhood of \$160 then.

Mr. KELLEY. That would be a considerable decline in lumber.

Admiral PARKS. To this latest date you have—

Mr. KELLEY (interposing). And I suppose there will be a further decline during the next year.

Admiral PARKS. They have closed a lot of mills in order to reduce the available supply, and that may keep the price up a little.

Mr. KELLEY. The statement made under the head of maintenance as to the cost of labor and material being from 25 per cent to $33\frac{1}{3}$ per

cent lower, as compared with prices at the time these estimates were made, would possibly hold good in the case of repairs, would it not?

Admiral PARKS. On material it would. Labor has not gone down, but the reports show that it is better.

Mr. KELLEY. So far as material is concerned, the reduction would be probably somewhere in the neighborhood of one-third, or 33½ per cent. I believe we can safely calculate on that.

Admiral PARKS. I do not think you could safely calculate on that. We might reasonably assume that in the case of lumber, but there has not been much decline in cement.

Mr. KELLEY. Do you use any other kind of lumber?

Admiral PARKS. We use quite a lot of maple flooring, or we did until the prices went up so high that we could not afford to use any more for new work.

Mr. KELLEY. Maple flooring was quoted at \$152.75 on November 1, and at \$130 on January 1, 1921.

Admiral PARKS. Is that No. 1 flooring?

Mr. KELLEY. It is maple lumber, $\frac{1}{2}$ and a 2-inch face.

Admiral PARKS. Is that No. 1?

Mr. KELLEY. It does not give any further information.

Admiral PARKS. You could not make a comparison with prewar prices without knowing the grade.

Mr. KELLEY. I am not so much interested in the prewar prices as I am in the comparison with what we will have to pay probably, and what you estimated you would have to pay. Now, if it was quoted at \$152.75 on November 1, and at \$130 on January 1, that would represent a decline of \$22.75 per 1,000 feet, or practically 15 per cent.

Admiral PARKS. That may be on No. 1, but we have not used much No. 1. We use mostly factory maple flooring, which costs in the neighborhood of \$40 or \$42.

Mr. KELLEY. Do you use any oak?

Admiral PARKS. We use some oak, but not much.

Mr. KELLEY. Clear quartered white oak is quoted at \$240 on November 1, and at \$207.50 on January 1, 1921.

Admiral PARKS. We use very little white oak.

Mr. KELLEY. That is a very heavy drop, and I suppose last spring it was much higher than it was in November.

Admiral PARKS. I am not sure that it was.

Mr. KELLEY. I had the idea when I asked for those figures from the Department of Commerce that your estimates were based on a later date. I had better get the prices for May.

Admiral PARKS. Yes, sir; that would be better. We dislike to make estimates on large purchases at the present time. It is necessary to use current prices for the estimates.

Mr. KELLEY. Apparently we have to use our best judgment in deciding about what the state of the market is to be—that is, whether it will be downward or upward.

Admiral PARKS. Ten years from now some projects may look tremendously expensive, if we put in the estimates at the present prices, when next year we may be able to estimate 25 per cent or 30 per cent less, or, possibly, 50 per cent less.

Mr. KELLEY. Here is an item of wire nails, quoted on November 1 at from \$6.75 to \$8 per keg in New York, while on January 3, 1921, they were quoted at from \$4.50 to \$5 per keg.

Admiral PARKS. I think that is all one decline. I think that the November price is practically the spring price.

Mr. KELLEY. That would represent a decline of about 33½ per cent. In Pittsburgh it is even more. In November the price there was quoted at from \$4 to \$6 per keg, and at \$3.90 on January 1.

Admiral PARKS. I think that nail price was reduced all at one time. I do not think there has been a gradual reduction in that.

Mr. KELLEY. But the decline has come since you made your estimates, and it has been a pretty heavy decline.

Admiral PARKS. Yes, sir.

Mr. KELLEY. You use a lot of galvanized sheet iron?

Admiral PARKS. We have been using quite a lot.

Mr. KELLEY. On November 1 it was quoted in New York at from \$10 to \$11.50, while on January 3, 1921, it was quoted at from \$7.30 to \$8. That would represent about 25 per cent.

Admiral PARKS. There is one point I would like to bring out here, and that is that I can not estimate on using lumber at the price that is current in the market to-day.

Mr. KELLEY. All that we are asking, of course, is to consider the trend of prices, and you can buy lumber as cheaply as anybody.

Admiral PARKS. But I might not be able to buy any in the market. We have a two-year stock of lumber on hand, and I must use out of that stock until it is exhausted in the grades that I need. Therefore, I may not buy any upon the market during the year.

Mr. KELLEY. If you use lumber that you have paid for at a higher price, then you must sell it to the various yards at the prices that you paid?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Although the market price might be far below that?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And we would have to appropriate much larger sums than if you were to go out into the market and buy the lumber.

Admiral PARKS. Yes, sir.

Mr. KELLEY. Why would it not be better for us to authorize you to charge off your war-excess prices, instead of increasing the appropriation to buy from ourselves? The same thing holds true in the case of the Ordnance Department, in the case of Supplies and Accounts, Steam Engineering, and Construction and Repair. I suppose all of them have large stocks of material on hand.

Admiral PARKS. It is practically all in supply officers' hands, and a proposition such as you have just suggested would probably relieve a pretty severe strain.

Mr. KELLEY. It would decrease every one of these appropriations by a considerable sum of money.

Admiral PARKS. It might do it. Another thing that it would do would be that it would enable the department to get its account of advances adjusted to its present appropriation. We were caught suddenly with the armistice, and there was a good deal of work to adjust in the general account of advances.

Mr. KELLEY. Take bar solder, do you use much of that?

Admiral PARKS. Some, but not a large quantity. We probably have not more than two or three men at any station using that.

Mr. KELLEY. Per hundred pounds, \$31.50 on October 2, 1920, and \$23.50 on January 3, 1921. Take plumber's material, it is put down here as commercial, 45-55, you probably know what that is?

Admiral PARKS. That means the percentages off of the list prices.

Mr. KELLEY. That is bar solder?

Admiral PARKS. That would apply to all of the plumbing fixtures.

Mr. KELLEY. \$29.50 per hundred pounds, October 2, 1920, and \$21.50 on January 3, 1921.

Admiral PARKS. Nearly a third off, 30 per cent.

Mr. KELLEY. Zinc in slabs, \$8.50, October 2, 1920, and \$6.05, January 3, 1921. That is 25 per cent.

Admiral PARKS. Certain of the copper companies have passed their January dividends, I notice, particularly Anaconda.

Mr. KELLEY. Copper sheets mill base 29.5 cents October 2, 1920, and 21.5 cents January 3, 1921. Lead, American pig, \$8.55 on October 2, 1920, and \$5.25 on January 3, 1921. Bar lead, \$9.05 October 2, 1920, and \$6 January 3, 1921. Asbestos per pound, 17 cents on October 2, 1920, and 10 cents on January 3, 1921.

Admiral PARKS. What is that price, the f. o. b. Milwaukee?

Mr. KELLEY. The price is quoted in American Artisan and Hardware Record, Chicago, Ill. These are evidently the Chicago prices.

Admiral PARKS. Asbestos is practically 50 per cent above the 1914 prices. Does it give structural steel?

Mr. KELLEY. I have not found that yet. They are going to send me some more. I have them making me a table that will be more directly applicable, I think, to repairs.

Admiral PARKS. Structural steel and rails are the two things that we hear a great deal about.

Mr. KELLEY. I am also getting the prices back when these estimates were made. I think that is rather important.

Admiral PARKS. Of course, there are certain things that we can buy on requisition when we need them. We can not buy or requisition material that can be supplied from the naval supply fund, we have to use that.

Mr. KELLEY. Here are some prices on cement. Portland cement prices for barrels in carload lots, without bags to contractors. The bag charge is generally 25 cents each. The price quotations are for October 7, 1920, November 4, 1920, and December 2, 1920. New York, \$4.10 on all three of those dates. In Chicago, \$2.35. In St. Louis, \$3 in October and \$3.45 in November and December. In the main there seems to be no reduction on Portland cement.

Admiral PARKS. There has been a little increase rather than a reduction.

Mr. KELLEY. That depends on where it is, apparently. At St. Louis there seems to be a little increase and at New Orleans a decrease, and in Seattle, Dallas, Kansas City, New York, and Chicago it is the same. Prices on natural cement—I do not know what that is.

Admiral PARKS. We do not use natural cement to any extent. There was an increase in the bids for Portland cement received recently at the Bureau of Supplies and Accounts.

Mr. KELLEY. In the paints you use great quantities of turpentine?

Admiral PARKS. We use some.

Mr. KELLEY. Spirits of turpentine, November 1, 1920, \$1.17; December 1, 90 cents; and January 3, 75 cents. Wood turpentine, distilled, \$1.10 in November, 86 cents in December, and 70 cents in January.

Admiral PARKS. What are the quotations on linseed? Linseed is one of the important items for our work.

Mr. KELLEY. I do not find it.

Admiral PARKS. That does not help us out much because a large part of the paints made in the navy yards is made from the stocks that we have on hand.

Mr. KELLEY. If there was a legislative provision which would authorize the Bureau of Supplies and Accounts to charge off the excess over current prices, that would help you quite a bit?

Admiral PARKS. You would have to make an appropriation to cover that.

Mr. KELLEY. Why not simply authorize the fund to be reduced that amount—what is the use of carrying this enormous amount?

Admiral PARKS. It is a proper advance.

Mr. KELLEY. Yes; but it is a proper advance that is only a book-keeping problem. Why raise the money and put it in the Treasury indirectly?

Admiral PARKS. You can arrange legislation, I suppose, that would take care of the loan without handling any money.

Mr. KELLEY. Without forcing the Government to buy from itself now in peace time at the prices which the Government paid in war time?

Admiral PARKS. The Bureau of Supplies and Accounts has been working up that project for quite a while and they may have reached a settlement.

Mr. KELLEY. There is a certain amount of war loss that ought to be charged off sooner or later. It does not seem possible that the best method is to go on appropriating on a war basis for material just because we have it on hand.

Mr. FRENCH. How much would you say would represent such material in the aggregate?

Admiral PARKS. Of course, I do not have the Bureau of Supplies and Accounts record of their material.

Mr. FRENCH. How many millions?

Admiral PARKS. I would not be surprised if it were between \$75,000,000 and \$100,000,000.

AUTHORITY TO MAKE CERTAIN CREDITS UPON CERTIFICATION OF PAYMASTER GENERAL.

Mr. KELLEY. Here is a provision which has been suggested in the way of legislation. I will read it and then ask you some questions as to how it would affect this appropriation and others if it were enacted.

The accounting officers of the Treasury are hereby authorized and directed to credit, without debit to any naval appropriations of fund, "General account of advances" with the value of all stores on hand in the naval supply account on March 31, 1921, upon the certificate of the Paymaster General of the Navy as to the value of such stores as shown by the records of the Bureau of Supplies and Accounts: Provided, That pending final determination of the value of such stores on March 31,

1921, preliminary credits shall be made at any time after March 31, 1921, upon the certificate of the Paymaster General of the Navy that stores to the value certified are on hand.

If that legislation were enacted, how much would we have to carry for these two items of yours?

Admiral PARKS. That is a hard thing to tell. The Bureau of Supplies and Accounts has sold a lot of surplus stock. There has been a profit in the sale of that lot of material. It is possible that the general average is now below the present market. It certainly was below the market on which they have sold a large amount of surplus materials. To determine what effect it would have on the appropriation, it would be necessary to go into the classes and see what those several classes are carried at now. You can not do that offhand.

Mr. KELLEY. No. That is to say, you would have to examine the stock of supplies which you would draw from to carry out these repairs to see how much you had on hand?

Admiral PARKS. To see whether they were above or below the market. If they are below the market, it is to my advantage to use them. If they are above the market, it is not.

Mr. KELLEY. You understand that this provision which I have just read would make the stocks that have been already purchased and are on hand available for your use up to a certain amount without any appropriation at all?

Admiral PARKS. No. They are credited for the time being, but a determination has got to be made in March, 1921, and it would keep all the accounts open. It is simpler to charge the higher rate, if it is a higher rate, to the appropriation and close the account. There is a large amount that must be taken care of and the Bureau of Supplies and Accounts has been giving a great deal of attention to the best method, from their standpoint, of taking care of it.

Mr. KELLEY. Do you not think that we should get rid of the excess cost at the very earliest moment?

Admiral PARKS. Certainly.

Mr. KELLEY. And then carry in this bill just what we can buy this stuff for at the present time?

Admiral PARKS. It ought to be done in that way.

Mr. KELLEY. If that were done, it would tremendously reduce each one of the two items, as far as material is concerned, because you must have a large quantity of material of nearly all kinds out of which these repairs ought to be made?

Admiral PARKS. Yes. The fact that they have made a profit on the sale of \$70,000,000 or \$80,000,000 of stuff, excess material, does not indicate that the prices of the articles sold were higher than the market prices when they made the sale. It does not indicate that they got less than the market price at the time they made the sale. What the average is may be one thing and what the individual items are may be far different. Lumber, for instance, may be carried at a price lower than the present market price, but it may be in such shape that before you get it to the mill and into shape to use, it would cost more than the present price for similar material. That was the case shortly after the armistice with a lot of lumber at Norfolk. Right then we could buy it in shape to use in the market cheaper than we

could use the lower-priced stuff at the yard, put it through the mill and get it ready for use.

If it could be provided that the market price of a commodity should be determined as of the first of the month by any proper means and that material of that kind should be issued for work at that market price during that month, and the difference should be then taken care of in one of these credit bills, you could get the material and get the job closed out and out of the way, but if you take it as a credit, without debit, in January and hold it until March of next year before you close that account, you do not know until March of next year what that job will cost.

Mr. KELLEY. It is March, 1921.

Admiral PARKS. That is this year?

Mr. KELLEY. Exactly; month after next.

Admiral PARKS. That would be only a short period.

Mr. KELLEY. Just long enough probably to gather the data necessary to make the adjustment.

Admiral PARKS. I do not see any reason for doing it in the meantime for a month or two if they are going to be able to determine the price in March of this year, but nearly all of the prices that you have been reading are at least 50 per cent higher than the 1916 prices, or the 1914 prices before there was any war activity.

Mr. KELLEY. What would be wrong with this idea? You have large quantities of material on hand that you purchased during the war. That material is all paid for?

Admiral PARKS. That is, the contractor has been paid out of a loan from the Treasury.

Mr. KELLEY. Yes, but it has been paid for; the Government's money is gone?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Why could you not be authorized simply to use up to a certain amount in value, without carrying stock on hand that has been already paid for, without any appropriation at all, or being in the bill for that purpose, but simply directing the accounting officers to make proper entries creating a fund without actually raising money, as long as the goods have been purchased and paid for?

Admiral PARKS. That is a matter between the Treasury and the Navy Department. That is something that the Bureau of Supplies and Accounts is familiar with and I am not. I do not know what the difficulties are in that line.

Mr. KELLEY. For instance, last year we put a provision in the Navy bill authorizing the issuance of clothes on first enlistments from the stock of clothing on hand, which had been purchased and paid for, and we carried no appropriation whatever for reimbursing that fund, because it had grown so during the war that nobody needed to reimburse it, and it wanted to be pulled down. That same thing is true of all your funds, because they are so much larger than they need to be in stock on hand. That being true, why not simply pull down the stock on hand, instead of reimbursing the fund through new taxes?

Admiral PARKS. If I am correct, I think you have only done half of the work on that clothing, and I think you still have the necessity before you of providing for that. You simply issued it without

charge, and it is still an obligation as between the Treasury and the Navy Department.

Mr. KELLEY. Let us see if it is.

Admiral PARKS. It is not a matter that I am supposed to be familiar with.

Mr. KELLEY. I am trying to find out in a moment or two how much stock you have on hand. In the matter of outfits on first enlistment the act carries this provision:

During the fiscal year ending June 30, 1921, the clothing and small stores fund shall be charged with the value of all issues of clothing and small stores made to enlisted men and apprentice seamen required as outfits on first enlistments, not to exceed \$100 each, and for civilian clothing not to exceed \$15 per man to men given discharges for bad conduct, undesirability, or inaptitude, and the uniform gratuity to officers of the Naval Reserve Force.

That is followed by this provision in the bill:

And the accounting officers of the Treasury are hereby authorized and directed to credit "General Account of Advances," without debit to any naval appropriation or fund, upon the certificate of the Paymaster General of the Navy, with the amount paid from "General Account of Advances" for the purchase of clothing and small stores which may be on hand June 30, 1921, and which payments may not have been credited to "General Account of Advances" prior to July 1, 1921.

Admiral PARKS. That is not in the current act, is it?

Mr. KELLEY. The latter part is substantially what I read a moment ago, and that is what they propose to do as to all of it.

Admiral PARKS. That is requiring the completing of the clothing transactions of last year, is it not?

Mr. KELLEY. This first portion that I read to you has to do with the stock on hand.

Admiral PARKS. The other part is to have the Treasury Department charge off the Navy Department's obligations to it.

Mr. KELLEY. There is no use in carrying in the clothing account anything like \$80,000,000 on the books there. If you reduce that until it comes down to normal, then you can go on as you used to do before the war. The same thing is true of the other departments. You would not have this large accumulation of material on hand which will show up on the books and be constantly carried there through the reimbursement of funds that are abnormally large. Why not reduce the fund down to where it was before the war by a bookkeeping process, or by simply authorizing these bureaus to draw on that excess supply until the stock is reduced, making, of course, the necessary bookkeeping entries, and always keeping a reserve stock on hand that would be ample.

Admiral PARKS. I can not see any reason why it should not be done that way.

Mr. KELLEY. Here we have five or six times as much lumber as we need, and that being true, why do we want to raise money this year to put in the Treasury to reimburse the fund for lumber that has already been paid for, thus keeping that lumber fund tied up, away in advance of anything we need. Why not simply use that lumber and not raise any more money until the lumber fund and the lumber pile come down to normal again.

Admiral PARKS. I do not see that you are raising any more money.

Mr. KELLEY. \$9,000,000 in here would represent taxes.

Admiral PARKS. No, sir; I do not see that. This is out of unappropriated funds in the Treasury.

Mr. KELLEY. But we raise the money and put it in the Treasury, and it is tied up in this account.

Admiral PARKS. You say that the other \$9,000,000 shall be expended from the Treasury for, we will say, \$9,000,000 worth of lumber. That \$9,000,000 is warranted by the Treasury to the Navy Department, and the accounts are made to show that that \$9,000,000 has been paid into the naval supply fund for the lumber, and then the naval supply fund returns that \$9,000,000 to the Treasury. In that, you have just gone around in a circle, and you have not raised any more money.

Mr. KELLEY. But if you should reduce this permanent fund by \$9,000,000, you would keep it out of the Treasury and in the pockets of the taxpayers?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That is important, is it not?

Admiral PARKS. That is the purpose of this legislation. If you reduce that Treasury loan to the Department, it just goes around through the appropriations for the several works of the department.

Mr. KELLEY. It is a question of bookkeeping, and the legislation would simply reduce this item by that much.

Admiral PARKS. I think it can be done.

Mr. KELLEY. It would reduce it by that much without calling upon the taxpayers.

Admiral PARKS. I left out the taxpayers on this thing. I sent it around from that balance in the Treasury, and I sent it back to that balance.

Mr. FRENCH. There is one difficulty here, because unless we have an invoice of the goods on hand, we will not know in any particular instance where to fix the maximum appropriation, because we will not know how much we are to pay the Navy Department for its own stores. We will not know that unless we get further estimates on the basis of present prices.

Admiral PARKS. Those things are all carried under ledger accounts in the naval supply fund by classes, with the items in each class at the bookkeeping price. It is only a matter of going into details to see just what it amounts to.

Mr. KELLEY. This is really a Paymaster General's proposition?

Admiral PARKS. Yes, sir.

Mr. KELLEY. During the war large sums of money were made available for supplies of all kinds, and every one of the bureau chiefs who were in the market for the purchase of supplies out of their funds, through the Paymaster General and Bureau of Supplies and Accounts, bought great quantities which they thought they would need during the war. They bought them and put them in their storehouses and paid for them out of money properly set aside for that purpose. Now, what about those funds, or what about that stock of goods?

Admiral PARKS. Nearly the whole stock was bought—

Mr. KELLEY (interposing). There is no question there of reimbursing the Treasury?

Admiral PARKS. Most of the stock, or a large part of the stock, was bought under the naval supplies fund.

Mr. KELLEY. But the fund was supplied?

Admiral PARKS. The fund was supplied, some of it by the general account of advances. Now, if I wanted to use 1,000 feet of lumber at the Philadelphia Navy Yard, which was not available from stores, the public works officer of the navy yard would make out a requisition for that 1,000 feet of lumber to be bought under the naval supply fund. The paymaster would send that requisition down here, and after getting the Bureau of Yards and Docks' approval for the work, the requisition would go to the Paymaster General, who would order the purchase under the naval supply account.

Now, in all of that time, no Yards and Docks funds, or no funds for which Yards and Docks was responsible, have been involved. The material is received on the yard after purchase, and is taken up in the naval supplies fund books or accounts. The public works officer knows that it is available, and he then makes a stub requisition on the general storekeeper and gets his lumber. On that stub requisition a charge is made against the Yards and Docks appropriation, and there is no charge against the Yards and Docks appropriation for the naval supply account material until that has occurred. But there may be some things that it is not desirable to have purchased by the Paymaster General, because it requires a certain amount of special inspection, and I think it is best to make all those purchases on Bureau of Yards and Docks requisitions. I make out that requisition, and that is immediately obligated against the Yards and Docks appropriation.

Mr. KELLEY. I understand.

Admiral PARKS. The increase of the Navy has another lot of requisitions.

Mr. KELLEY. The point I am getting at is this, that in the case where funds were available during the war for the Bureau of Supplies and Accounts to buy, we will say, lumber, they went ahead and bought quantities of lumber in excess of the needs, as it turned out. That lumber is on hand and paid for. Now, what is the necessity of Congress, if it needs to buy and use \$10,000,000 worth of lumber this year, putting in an appropriation which will necessitate the levying of a tax to buy the lumber of the Bureau of Supplies and Accounts, and then put that money back into the Treasury?

Admiral PARKS. I do not think it means levying a tax; it means taking it out of the surplus.

Mr. KELLEY. It is only an apparent levy.

Admiral PARKS. It is an apparent levy only; it is returning a loan.

Mr. KELLEY. You will put in the record a detailed statement of repairs and preservation, and the apportionment of the money to all repairs and preservation?

Admiral PARKS. Yes.

(The statement follows:)

NAVAL APPROPRIATION BILL, 1922.

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Detailed statement "Repairs and Preservation, 1922."

[Arranged according to amounts estimated, compiled from reports from yards and stations.]

Object.	Mare Island.	New York.	Philadelphia.	Norfolk.	Boston.	Puget Sound.	Olon-gapo.
Grounds.....	\$140,000	\$57,200	\$170,000	\$85,000	\$50,000	\$48,000	\$30,000
Buildings.....	160,000	230,000	300,000	138,000	60,000	48,000	70,000
Dry docks.....	10,000	135,100	35,000	45,000	2,000	12,000	60,000
Power plants.....	50,000	32,000	55,000	40,000	22,000	24,000	4,400
Radio stations.....		1,200		1,500		12,000	
Fuel plants.....	10,000	12,000			2,000	30,000	
Water fronts.....	760,000	130,400	25,000	55,000	100,000	12,000	20,000
Floating equipment.....	15,000	6,000		5,000		2,400	2,000
Station equipment.....		16,000	5,000	7,500	26,000	2,400	2,000
Machines and tools.....		8,000		3,000			
Schools.....		400					
Receiving ships.....	10,000					1,200	
Dispensaries.....	2,000			250	2,000		
Commissary stores.....		5,000			200		400
Prisons.....	5,000	2,000			5,800		600
Miscellaneous.....	60,000	60,000	10,000	21,000		3,600	500
Holiday:							
Squantum.....					36,000		
South Boston.....					24,000		
Communication.....						6,000	
Fire protection.....						6,000	
Transportation.....						24,000	
Miscellaneous military expenses.....						3,600	
Miscellaneous expense, public works.....						2,400	
Total.....	1,222,000	695,300	600,000	404,250	330,000	237,600	219,900

Object.	Charles-ton.	Third district.	Cavite.	Pearl Harbor.	Portsmouth.	New Orleans.	Hampton Roads.
Grounds.....	\$20,000	\$16,000	\$25,000	\$24,000	\$10,000	\$18,000	\$11,000
Buildings.....	40,000	45,000	56,000	36,000	10,000	19,000	13,300
Furniture.....							800
Dry docks.....	20,000		6,000	2,400	8,000		
Power plants.....	20,000	6,000	500	1,000	15,000	4,000	1,000
Radio stations.....				400		900	100
Fuel plants.....	2,000		6,000	6,600	5,000		
Water fronts.....	15,000	8,800	8,000	10,600	5,000	6,000	3,000
Floating equipment.....	3,600	4,000		2,000	1,000	800	500
Station equipment.....	3,000	5,000		12,000		9,000	16,000
Machines and tools.....		1,000					500
Schools.....	600		600				800
Receiving ships.....	2,000		400			800	
Dispensaries.....	500		1,000		1,000	1,500	140
Marine barracks.....	200	1,000					
Commissary stores.....	400		3,000			1,000	300
Prisons.....	6,200		8,000		8,000	200	
Naval courts and boards.....	300	1,000					
Miscellaneous.....	9,000	21,000	1,000	1,000	22,000	4,000	16,000
Total.....	142,800	109,500	108,300	96,000	85,000	72,000	62,640

Object.	Guam.	New London.	Key West.	Fourth district.	Guan-tanamo.	Tutuila.	Wash-ing-ton.	San Diego (base).
Grounds.....	\$35,000	\$12,000	\$10,800	\$20,000	\$5,712	\$10,450		\$1,000
Buildings.....	6,000	12,000	18,000	6,000	10,170	4,780	\$10,000	6,000
Furniture.....					250			
Dry docks.....		600	4,800			375		
Power plants.....	2,000	2,000	1,200	10,000	1,875	1,030		1,000
Radio stations.....						100		
Fuel plants.....	5,000	1,200	4,000		16,245			
Water fronts.....	5,000	8,000	7,200	5,000	5,775	2,420	10,000	1,000
Floating equipment.....	2,000	1,400	1,800		1,275	1,000		
Station equipment.....	4,500	500	2,400		770	1,300		
Machines and tools.....					495	560		
Schools.....	3,000				125			
Receiving ships.....	8,000		1,200					
Dispensaries.....	2,100	600			1,350	100		
Marine barracks.....	1,000							
Commissary stores.....	600	300				1,000		2,000
Prisons.....	1,500	180				2,260		2,000
Miscellaneous.....	500	3,000	1,200	5,000				
Total.....	60,000	56,900	53,600	46,000	44,417	24,000	20,000	14,000

Grand total, \$4,690,207.

CONTINGENT, BUREAU OF YARDS AND DOCKS.

Mr. KELLEY. Now we will turn to page 43, "Contingent, Bureau of Yards and Docks." For contingent expenses and minor extensions and improvements of public works at navy yards and stations you had \$150,000 this year, and you ask the same amount next year. How is that money expended?

Admiral PARKS. That is expended for minor improvements; for accidents, like fire and hurricane.

Mr. KELLEY. This covers new construction not authorized specifically by law and which can not be foreseen?

Admiral PARKS. Yes. At the present time I have about \$22,000 left of the appropriation for this year. You can not tell when the necessities are going to arise.

Mr. KELLEY. You had \$75,000 in 1918 and \$50,000 in the years 1915, 1916, and 1917. What were some of the items of expense this year from that fund, the chief items?

Admiral PARKS. At the rifle range at Annapolis an artesian well required piping, labor on material that had been furnished by the Government, and \$1,878.60 was used for that purpose.

Mr. KELLEY. Can you put in a statement showing just about what the expenditures have been this year, which will give an idea of the sort of construction carried on under this fund?

Admiral PARKS. I can give a list of the expenditures so far for the year.

(The list referred to follows:)

"*Contingent, Yards and Docks, 1921," to Dec. 1, 1920.*

Place.	Date.	Object.	Amount.
Annapolis.....	Aug. 18	Repairs to mess hall, due to defective waterproofing.....	\$8,400.00
Boston.....	Oct. 5	Replace cable burned out during electrical storm, for electric car line, Squantum.	625.00
Cavite.....	Sept. 9	Repairs to building, etc., due to typhoon.....	17,695.00
Do.....	Sept. 14	Repairs to trusses and installation of bracing for fuel-oil tanks, due to storm.	3,000.00
Charleston.....	July 14	Repairs to quarters 18 damaged by fire.....	7,200.00
Do.....	Aug. 2	Cleaning wreckage of building 71A destroyed by fire.....	1,500.00
Do.....	Oct. 9	Repairs to building ways damaged by fire.....	9,000.00
Great Lakes.....	July 26	Replace technical books destroyed by fire.....	330.00
Hampton Roads.....	Aug. 17	Reconstruction of two latrines destroyed by fire.....	14,000.00
Key West.....	Aug. 19	Move dispensary from air station and install on site of building No. 40.	2,100.00
Mare Island.....	Aug. 10	Purchase of new motor-driven pump on account of burnt-out motor on old pump.	4,350.00
Do.....	Oct. 26	Emergency repairs to causeway due to damage by teredos	15,000.00
New London.....	Sept. 22	Handling charges for destroyer moorings.....	1,066.05
Do.....	Oct. 28	Place Building 25 in sanitary condition.....	3,000.00
New Orleans.....	July 21	Renew dolphins broken off in storm.....	1,500.00
Do.....	Oct. 18	Repairs to damage done by storm.....	2,700.00
Newport.....	July 6	Repairs to south dock as result of damage by ferry boat.	1,500.00
Do.....	Oct. 1	Repairs to marine railway due to accident.....	850.00
New York.....	June 23	Repairs to cranes damaged by accident.....	11,755.00
Philadelphia.....	Aug. 5	Repair flooring, etc., Building 16, due to bursting of fire main.	12,000.00
Do.....	Sept. 4	Alterations to Building 104, for use of receiving station and general court-martial.	1,725.00
Do.....	Oct. 20	Work in connection with Building 104, addition to above work.	960.00
Puget Sound.....	Nov. 4	100-ton crane, correct certain defects developed during tests.	3,092.00
Twelfth district.....	July 8	Fitting up Santa Fe warehouse for reserve torpedo boat flotilla.	450.00
Do.....	July 21	Material for marker buoys for destroyer squadron.....	105.88
Bureau of Yards and Docks.....	July 26	Transferred to retirement fund	858.37
Total.....			124,732.30

PUBLIC WORKS—NAVY YARDS AND DOCKS.

Mr. KELLEY. Now, we will take up the individual stations. First, I wish you would make a general statement as to the policy which you have pursued, and which you think we can well afford to pursue, as to new improvemants at the navy yards and stations on the Atlantic coast, having particular reference to the fact that such large sums have been available for new construction and expended during the war on these stations. What is your policy now this year, when the fleet is divided and the necessities are less on the Atlantic coast, and in view of the fact that all these improvements have been made?

GENERAL STATEMENT.

Admiral PARKS. Prior to the end of the fiscal year it was the practice of the bureau to send to all navy yards and stations certain blanks on which estimates of necessary work should be submitted, and for some years these estimates have been kept on file, and the new ones were added, so that for a station there would be a considerable collection of projects that had been submitted within four, five, or six years.

This year I said ignore all projects that have been submitted prior to this year and take into consideration the conditions after the experience of the war and submit an entirely new list. I think the total amount of the list from the yards was something like \$106,000,-000 or \$107,000,000. There are certain matters that the yards are not at liberty to submit. The bureaus add those items after the others have come from the yard. After the yard estimates had been received they were sent to the bureaus concerned for recommendation and such additions as the bureaus knew of that the yards had not covered. These were then tabulated and were taken up for consideration in the Secretary's council. Certain items were stricken out without delay as items that could be postponed for a year or more, and finally the first revision was made of about \$65,000,000 of public works that the council believed desirable to be appropriated for at the present time if funds permitted, but it did not appear to the council that funds would be available for that quantity, and the estimates were revised twice more before the estimates were submitted for the consideration of Congress.

They were based, in the consideration of the council, upon the fact that the fleet was about equally divided between the two coasts; that nearly all the effort during the war period had been confined to the east coast; that the east coast had been put in so much better shape than the west coast that nothing but continuing work, or the most important work, should be recommended for the east coast.

Later there was an intimation that the bill, as submitted, was considered too large, and it was gone over again on the basis of a 27 per cent reduction in public works, not that the council believed that a satisfactory bill would result from a 27 per cent reduction, but to show what might be done if a 27 per cent reduction were made. That caused certain other items under public works to be either dropped or reduced, and some of those are east coast and some are west coast. I do not know that the east coast got as large a reduction on that as the Pacific coast.

Mr. KELLEY. I take it from what you said that the policy for the Atlantic coast, which seemed reasonably satisfactory to the bureau chiefs, would be something like this: That where there was an improvement in process of construction that should be finished, but outside of that the yards on the Atlantic would remain in *statu quo*, simply providing the necessary maintenance and repair. Is that about it?

Admiral PARKS. That is pretty near it, yes; that is the state of affairs if a 27 per cent reduction were made on the bill submitted to the committee.

Mr. KELLEY. In general, you have a lot of expense that you want to put on the Pacific, and you have spent \$250,000,000 or more in these yards on the Atlantic? That is where it all has been spent?

Admiral PARKS. Not a little of it has been spent on the Pacific.

Mr. KELLEY. A little of it at Mare Island?

Admiral PARKS. And Puget Sound?

Mr. KELLEY. But practically the whole fund, except a little at each of those two stations, was spent on these yards on the Atlantic coast, so that it is reasonable to presume that at least the most urgent new projects have been taken care of?

Admiral PARKS. That is the idea.

Mr. KELLEY. And that anything that had not been taken care of out of that could not be considered a very pressing improvement?

Admiral PARKS. Not very pressing.

Mr. FRENCH. Would not that need to have relation to the question of which side of the coast our possible nearest enemy might be on?

Mr. KELLEY. Well, we have no enemies.

NAVY YARD, PORTSMOUTH, N. H.

POWER PLANT IMPROVEMENTS.

Mr. KELLEY. Now, let us take the navy yard at Portsmouth, N. H. You have an item here of power plant improvements, \$100,000. Is there a power plant development started there?

Admiral PARKS. There is a power plant started 20 years ago, and some of the boilers put in there 15 years ago had been used for a considerable time at the New York yard. The boilers are hand fired, about 200 horsepower average, and are getting pretty old for high pressure. We had \$65,000 for power plant work in the last bill, I think, or the bill before.

Mr. KELLEY. Now, Admiral, you had a lump sum of \$4,250,000 during the war for power plant improvements, and if these were such poor boilers, why did you not put some of the money up there?

Admiral PARKS. It was not enough to put it everywhere we needed it.

Mr. KELLEY. Well, you figured that you could go through the war when you were operating at high pressure with these boilers, and now, with half the fleet on the other side, and no war pressure, what is the necessity for starting in with new boilers and a new power plant this year when we have so much to do on the Pacific coast?

Admiral PARKS. Well, we have got some Old Hickory boilers.

Mr. KELLEY. They are the same boilers, only a little bit older than they were a year ago?

Admiral PARKS. But from one of the Army plants we have gotten 800 horsepower Hickory boilers, and it is very desirable to install them.

Mr. KELLEY. What activities are you going to carry on up there this coming year?

Admiral PARKS. Nothing except this power plant.

Mr. KELLEY. I did not mean that. What are they going to do in the yards?

Admiral PARKS. They are building fleet submarines there.

Mr. KELLEY. Those are the smallest craft we have?

Admiral PARKS. The fleet submarine is a little larger than the other submarine.

Mr. KELLEY. They are 1,100 tons?

Admiral PARKS. Yes.

Mr. KELLEY. That is a very small boat.

Admiral PARKS. I do not think there is any other new construction going to be there. It is simply a question of improving that power plant to keep down the expense and inconvenience.

Mr. KELLEY. The plant can be operated during the coming year just about as effectively as it has been during the last four or five years, during the war and since, without this improvement, can it not?

Admiral PARKS. It can, and for that reason we considered that if the 27 per cent reduction was to be made, that item was one that could go out.

Mr. KELLEY. Suppose we adopted a policy such as I laid down a few moments ago. Could we not pursue that with quite a good deal of exactness right straight down, and use all these places like New York, say, and cover these items in much less time; namely, inasmuch as \$250,000,000 have been expended on these plants in the last three or four years, can we not assume that the most needed improvements have been made, and that with the fleet divided we could very comfortably get along without anything except repair, preservation, and maintenance?

Admiral PARKS. Well, if you are going to continue the two battleships at New York at a fairly rapid rate, the item of—

Mr. KELLEY. I will except from that statement anything that relates to the health and comfort of the men, but how about that policy right straight through? Let us adopt that tentatively and see where it will bring us out as we go along.

Admiral PARKS. We may run against something.

NAVY YARD, NEW YORK, N. Y.

DREDGING.

Mr. KELLEY. Now, let us take the New York yard. At New York you are asking for dredging, to continue, \$100,000. Where is that dredging?

Admiral PARKS. In the Wallabout Basin. Under the 27 per cent reduction I feel that might be delayed; that is, we might get along without it.

Mr. KELLEY. Where is this basin?

Admiral PARKS. That is the main basin at the New York yard.

Mr. KELLEY. Is that an annual affair, that dredging?

Admiral PARKS. It is practically an annual affair. We let it go sometimes a year or two at a time.

Mr. KELLEY. Have you been dredging there every year right along?

Admiral PARKS. We dredged there last year.

Mr. KELLEY. Can you let it go a couple of years without dredging?

Admiral PARKS. Yes.

Mr. KELLEY. You think that could be done this year without any inconvenience in handling the ships in the yard?

Admiral PARKS. The ships may touch mud sometimes during the next year.

Mr. KELLEY. Then, probably we had better leave that item in.

Admiral PARKS. I think that is very desirable to have, but I am not sure that I will spend it if it is appropriated. But if it is there when the necessity arises it is a lot better.

Mr. KELLEY. Do you know whether or not the harbor is filling up to such an extent?

Admiral PARKS. It is filling all the time.

Mr. KELLEY. And you absolutely need to dredge it this coming year?

Admiral PARKS. I do not think we would have to dredge this next year.

Mr. KELLEY. You probably would not?

Admiral PARKS. We probably would not dredge this next year.

Mr. AYRES. Would you think of cutting the appropriation? Would that help any?

Admiral PARKS. That does not help very much on that kind of thing.

Mr. KELLEY. It is not a large sum, and it is a very important job, and if you think you will use that, possibly it should be left in, because we do not want to have the ships touch bottom.

Admiral PARKS. I think it is a very desirable item to leave in, but holding it without using it does not help the size of the bill any.

Mr. KELLEY. Well, it is one of those items that might well be continued, perhaps, if there is any danger of the ships touching bottom.

Now, tell us about the toilet facilities.

Admiral PARKS. That is desirable if you are going to use a considerable number of men in your battleship construction. It will save the cost of the thing in a very few months with 2,500 or 3,000 men working on the ships.

Mr. KELLEY. The facilities are quite a distance away from this construction?

Admiral PARKS. Yes.

Mr. KELLEY. And not very extensive?

Admiral PARKS. Yes; that is to be built on the staging of the ship ways, so that men will not have over 200 feet to go away from their work anywhere.

Mr. KELLEY. Last year there was an item in the bill postponing the water front improvements until July 1, 1921. Could that be postponed another year?

Admiral PARKS. I think so. I do not know what the chances are of the Government ever buying any more land alongside of that wharf, but I do not think there is any chance this year.

Mr. KELLEY. No; and the Naval Committee would have to put a paragraph in the bill, I imagine.

Admiral PARKS. I think it could stand another year or two to see if it is possible to acquire that site.

Mr. KELLEY. You would rather have the appropriation continued and not available for use than have it repealed outright?

Admiral PARKS. Yes.

Mr. KELLEY. Pending the time when the land question is settled, as to whether certain other land is bought up there or not?

Admiral PARKS. If we do not get the land we will have to get our fitting-out facilities somewhere else, but to get them somewhere else we are proposing to use for fitting-out purpose facilities that are needed for other purposes, and I think it is rather undesirable to tear out a pier that is only three or four years old, and an expensive one, to put this improvement in that place, if there is any chance of our putting it at a place that will not interfere with improvements already in place.

Mr. KELLEY. The same considerations which caused the Congress to defer the expenditure of this money until July 1, 1921, would apply for another year?

Admiral PARKS. Yes.

NAVY YARD, PHILADELPHIA, PA.

REMODELING BUILDING NO. 19—DISTRIBUTING SYSTEMS, ETC.

Mr. KELLEY. For the navy yard at Philadelphia I see you have a request for remodeling building No. 19 for ordnance shop and gyro, optical, and torpedo testing shops, \$14,000.

Admiral PARKS. I do not think that is absolutely necessary this year.

Mr. KELLEY. How about these distributing systems, \$100,000?

Admiral PARKS. That is desirable.

Mr. KELLEY. But not absolutely necessary?

Admiral PARKS. Well, I have a good deal of difficulty in saying that thing is not necessary. We are just about completing that dry dock and expect to put the *Kearsarge* in there next month for repairs, and have had to make certain extensions of the distributing systems to carry on that work with the *Kearsarge*, and I believe that we ought to make this addition to the distributing system in this bill.

Mr. KELLEY. What is that, the underground conduits for electric wiring, steam, gas, and water?

Admiral PARKS. Yes, sir; that is what it is.

Mr. KELLEY. And it is made necessary or advisable because of the nearness of completion of the new dock?

Admiral PARKS. Yes.

Mr. KELLEY. When will the dock be ready for use?

Admiral PARKS. We expect to get the *Kearsarge* in there next month.

Mr. KELLEY. But you could not get this improvement in there by next month?

Admiral PARKS. No; I can not get that in, but I think that that ought to be made immediately available.

Mr. KELLEY. You can handle the *Kearsarge* apparently all right without this?

Admiral PARKS. Not all right, but Admiral Taylor has said that they will get along without some of the apparent necessities for a while.

Mr. KELLEY. How much have you spent in the Philadelphia yard in the last four years?

Admiral PARKS. I have not the table for four years.

Mr. KELLEY. Since the war?

Admiral PARKS. \$34,000,000 between 1917 and 1919, and most of it was in that period.

Mr. KELLEY. \$34,000,000 was spent on this yard from 1917 to 1919?

Admiral PARKS. Yes; and I should say about \$8,000,000 since then.

Mr. KELLEY. That makes \$42,000,000 for three years.

Admiral PARKS. Yes, sir; \$42,000,000.

Mr. KELLEY. How do you get your power, lighting, and so on, over this dock for handling the *Kearsarge*?

Admiral PARKS. We put in enough of the electric power leads to operate the capstans and the cranes, but we have not started the piping. I have not money enough available to start the piping.

Mr. KELLEY. Is there anything about the construction that would necessitate this work preceding some other work, or is it something that will be put in at the same expense, whenever put in?

Admiral PARKS. I think it will be about the same expense whenever put in, and it would be a lot more convenient for the work on the *Kearsarge* if they had these facilities.

Mr. KELLEY. But this bill will not take effect until next July, and this money will not be available. You are going to put the *Kearsarge* in there next month. How long will the *Kearsarge* be in there?

Admiral PARKS. Six or eight months.

Mr. KELLEY. So the *Kearsarge* will be out before you get the money for this purpose.

Admiral PARKS. I hoped you would make these items at Philadelphia immediately available upon the passage of the act. We have got about \$12,000 balance left on the dock, and running about \$3,000 a day, and unless something is made immediately available, I am going to be obliged to hold up the contractor, and that will make a very considerable increased damage claim on his part that you will finally have to take care of. I had wanted this item to go in the deficiency bill so that it would be available.

Mr. KELLEY. We have appropriated for this once, have we not?

Admiral PARKS. No; you have \$600,000 left on the authorization.

Mr. KELLEY. In the 1920 bill we had this item: "Dry docks, to complete, limit of cost increased to \$4,700,000; \$1,200,000; paving, railroad tracks, sewers, water pipes, and general yard developments, \$200,000." Have you put those water pipes in?

Admiral PARKS. We have developed the whole western part of that yard in the last three years.

Mr. KELLEY. Well, we gave you the money for the water pipes.

Admiral PARKS. Not for the dry dock.

Mr. KELLEY. That is what this item was for—dry dock.

Admiral PARKS. We used it for something else, then.

Mr. KELLEY. That is what I am talking about. That shows it is not so very severely needed unless it is needed now.

Admiral PARKS. We have gotten up to the point where it is needed now.

Mr. KELLEY. You used the money that was appropriated for that purpose in connection with something else connected with some other project?

Admiral PARKS. Yes.

Mr. KELLEY. We are not going to suffer by that, but this distributing system could be put off another year without any great detriment to anybody, could it not?

Admiral PARKS. No; I do not think it could for another year, but I consider that those two items, the \$600,000 and the \$100,000, should be one item, except this, that the authorized limit of the bill is \$6,300,000, and that leaves \$600,000 only.

Mr. KELLEY. Will that finish it?

Admiral PARKS. That will finish the dock, but this thing is in connection with the dock enough so that I would put it with the same contract. Those two items ought to be in and made immediately available, from my viewpoint. I have asked that \$600,000 be put in the deficiency bill for the sake of getting it immediately available.

Mr. KELLEY. I think that is the only way you could get it immediately available. I am sure that a point of order would be made against that on the floor, and it would be useless to put any legislation in the bill. If you want that \$600,000 right now, it is a deficiency.

Admiral PARKS. It will be a deficiency in a day or two. On the 10th day of January we had \$12,000.

Mr. KELLEY. That \$600,000 could come out of this bill altogether?

Admiral PARKS. And go in the deficiency bill. That is the way I feel about it.

Mr. KELLEY. That is correct.

Admiral PARKS. The fact is I thought I had more money until I got some accounts. I found an addition of \$100,000.

Mr. KELLEY. You will handle this in your deficiency bill?

Admiral PARKS. I have got to get it to the deficiency subcommittee in some way before they will act on it.

Mr. KELLEY. You talk it over with the Secretary and explain to him that it is a deficiency. I think on your suggestion he would be willing to do it that way. We would not have jurisdiction over that item in this bill. The whole amount, \$600,000 and the \$100,000, for that work that was incident to the dock, the wires, etc.

Admiral PARKS. That \$100,000 is not a deficiency.

Mr. KELLEY. If you had had \$100,000 left out of the \$600,000, you could have used it for this very purpose, because you had an appropriation for that once.

Admiral PARKS. Yes; I could have done it.

Mr. KELLEY. You see, the appropriation was not for the dock alone, but was for these other things. I think the whole thing is covered by the language in the former estimates under the dock. It says: "Navy Yard, Philadelphia; dry dock, to complete, limit of cost increased to \$4,700,000, \$1,200,000," and then "paving" —

Admiral PARKS. But that is not in the dock item; that is another item.

Mr. KELLEY. You are right about that; that is not the dock: that is another item. Railroad tracks, sewer, water pipes, and general yard development.

Admiral PARKS. That is another thing.

Mr. KELLEY. It might possibly be regarded as incident to the dock, and therefore a part of it, getting the water and the electrical equipment installed?

Admiral PARKS. Steam, air, etc?

Mr. KELLEY. Yes.

Admiral PARKS. I would rather not consider it a part of it, but it is capable of being considered either way.

Mr. KELLEY. The two should go together, if you make the \$600,000 available at once, which is the only way you could get any sum of money available, and the \$100,000 also. That would clean you all up there.

Admiral PARKS. Yes. There is some talk of being finished there in April, but I think that is optimistic.

Mr. KELLEY. Then you will take that up with the Secretary and tell him that, upon my suggestion, it should go out of this bill?

Admiral PARKS. Yes, the \$600,000?

Mr. KELLEY. We will consider the question of \$100,000 later on.

MOTOR GENERATOR SET.

What about that motor generator set?

Admiral PARKS. That is out on the assumption of a 27 per cent reduction.

Mr. KELLEY. Leaving out the 27 per cent reduction, what is the special necessity for it?

Admiral PARKS. That is to avoid using up the machinery in the submarines charging the batteries. When they are near the yards it is possible to have the batteries charged by a shore machine.

Mr. AYRES. It is really an economy?

Admiral PARKS. It is an economy.

Mr. KELLEY. We have several, one at New London.

Admiral PARKS. Yes, we have one at New London, and we have them at several places. There are two or three. The submarine has engines and generators that can be used for charging its batteries, but in a submarine you must have your weights as light as possible and the engines are not as rugged as you would make a shore engine. To insure longer life of the motor power of the submarine it is preferable to use those engines as little as possible and to do the charging of the batteries when you are within convenient reach of the shore from a shore generator.

Mr. KELLEY. You are not going to have very many submarines at Philadelphia?

Admiral PARKS. I do not know how many are based there.

Mr. KELLEY. Except those that are laid up there? That is not a submarine base? You have got a submarine base at Hampton Roads. Is there a generator there?

Admiral PARKS. We have either got it or have an estimate for it in here. We have *Flotilla 5* at Philadelphia.

Mr. KELLEY. That is one of the old ships.

Admiral PARKS. They are not in commission.

Mr. KELLEY. We do not really need this, do we, for those five submarines there? How many submarines are there?

Admiral PARKS. *Flotilla 5.*

Mr. KELLEY. How many are there?

Admiral PARKS. Only two of them happen to be on the list right now.

Mr. KELLEY. You are not very urgent for this item, are you?

Admiral PARKS. I am not very urgent for that this year.

Mr. KELLEY. Those two might not be there next week, or by the time this money is available, inasmuch as that is not a submarine base. So I can see there no occasion for it, is there?

Admiral PARKS. I think they need enough other things there.

Mr. KELLEY. Much more than that?

Admiral PARKS. Yes.

NAVY YARD, WASHINGTON, D. C.

CONCRETE ROADS.

Mr. KELLEY. For concrete roads at the navy yard at Washington you are asking \$100,000. We do not want to build any concrete roads this year, do we?

Admiral PARKS. Admiral McVeagh thinks we do.

Mr. KELLEY. Perhaps so; but what do you think? They can get along all right down there, don't you think so?

Admiral PARKS. I think they have been getting along quite well, yet I think \$75,000 might be used to advantage.

Mr. KELLEY. That is quite a lot of money for roads.

Mr. FRENCH. Where would the roads be?

Admiral PARKS. Inside of the navy yard.

Mr. KELLEY. What kind of roads? Would these concrete roads replace cinders?

Admiral PARKS. Dirt, and in some places where there are no roads back of the shops.

Mr. KELLEY. How much road would this build, a couple of miles?

Admiral PARKS. Oh, no.

Mr. AYRES. This is a pretty expensive time to build right now.

Admiral PARKS. It is rather expensive to build roads at the present time.

Mr. AYRES. Both for material and labor.

Admiral PARKS. These roads will be around the west extension, back of the gun shop, all the way along the west line, alongside of the pattern shop and the foundry, and on the front between the loading basin at the west end. It is practically all in the west extension.

Mr. KELLEY. How many miles of road? My recollection is that a concrete road costs \$40,000 or \$50,000 a mile.

Admiral PARKS. It does; about a mile.

Mr. KELLEY. They had down there during the war as high as how many men?

Admiral PARKS. Nine thousand.

Mr. KELLEY. And they have not but 7,400 now, and with all their necessities during the war they got along pretty well. Do you not think they can get along another year, Admiral, without concrete roads, get along with cinders?

Admiral PARKS. I thought they could, but Admiral McVeagh was quite sure they needed it.

Mr. KELLEY. You have not been over it yourself down there?

Admiral PARKS. I have.

Mr. KELLEY. It is your personal judgment that it will not interfere greatly with the yard if they do not do it this year?

Admiral PARKS. It is my opinion that they could get along another year.

CONSTRUCTION OF LUNCH ROOM.

Mr. KELLEY. Now, let us take the lunch room. I thought we put a lunch room in.

Admiral PARKS. They asked for a lunch room last year.

Mr. KELLEY. This is the same one?

Admiral PARKS. Yes.

Mr. KELLEY. With fewer men there than ever, what is the necessity for another lunch room? I do not mean fewer than ever, but fewer men than last year or the year before?

Admiral PARKS. It is a matter of location.

Mr. AYRES. It is not as convenient as a new lunch room would be?

Admiral PARKS. Not as convenient.

Mr. KELLEY. Well, is it necessary?

Admiral PARKS. I thought the item could be left out.

Mr. KELLEY. It is not the policy of the committee to put in anything this year just for mere convenience?

Admiral PARKS. Nothing but absolute necessities.

BRASS FOUNDRY IMPROVEMENTS.

Mr. KELLEY. How about the brass foundry?

Admiral PARKS. That can be left out.

LAND ON ELEVENTH STREET PURCHASED FOR NAVY YARD.

Mr. KELLEY. Now tell us something about all that new land we bought over there between the navy yard and Eleventh Street, and all those houses; what has been done with them, what you propose to do with them, who lives in them, and all about them.

Admiral PARKS. Well, some of the houses have been found available and have been fitted up for quarters, and officers are using them. Some on the street are still lying idle. We have just torn down enough to put in the proof shop and the optical factory. I think those are the only buildings we put in there.

Mr. KELLEY. What is the immediate future for those buildings? What do you intend to do with them, let them stand there?

Admiral PARKS. I think so for a while.

Mr. KELLEY. How much did you include in your item for repairs, for those houses?

Admiral PARKS. I did not consider them. Those were expected to be torn down before we made use of the land.

Mr. KELLEY. And the development has been postponed until some future time at that end of the yard?

Admiral PARKS. Yes. It is used mostly for a stock pile and that kind of thing, and some of it for the optical and proof shop.

Mr. KELLEY. I notice on Eleventh Street, there are two or three blocks there of stores, are there not?

Admiral PARKS. Yes, a couple of blocks.

Mr. KELLEY. With a wire fence on the outside, putting the stores inside of the fence. Why could you not run that fence back of the stores and lease the stores?

Admiral PARKS. We can. We have authority to do that under a recent act.

Mr. KELLEY. Those stores were all occupied, were they not, when you took the property?

Admiral PARKS. Yes.

Mr. KELLEY. And you could lease that whole row of stores?

Admiral PARKS. I do not see why not. I think authority was given one or two years ago to lease such land as was not immediately needed for Government purposes.

Mr. KELLEY. Do you know of any reason why that should not be done?

Admiral PARKS. I do not see what inconvenience would be caused by it now.

Mr. KELLEY. You could just put that fence back a little bit and inclose the yard just as it is now, and let the business interests of that section have the use of those stores without any detriment to the yard, but with great satisfaction, probably, to that locality.

Mr. AYRES. And the buildings would not deteriorate as fast occupied as they would vacant.

Admiral PARKS. They have deteriorated quite a bit since they were vacated.

Mr. AYRES. They would deteriorate more vacant than if they were occupied.

Mr. KELLEY. Do you know how many stores there are there?

Admiral PARKS. No.

Mr. KELLEY. There must be two blocks of solid stores.

Admiral PARKS. Probably two blocks.

Mr. KELLEY. What would a store down there ordinarily rent for?

Admiral PARKS. I have no idea. I imagine we could rent those for very much less than they could get them otherwise.

Mr. KELLEY. I presume they are not in as good a condition as they were when we got them?

Admiral PARKS. One of them has been used by the Red Cross a great deal, and I think that is the only one that has been used.

BUILDINGS AND GROUNDS, NAVAL ACADEMY.

Mr. KELLEY. Under buildings and grounds, Naval Academy, you have nothing there.

NAVY YARD, NORFOLK, VA.

WATER FRONT IMPROVEMENTS.

Mr. KELLEY. At the navy yard at Norfolk you are asking for water front improvements, to continue, \$250,000. Do you think it is necessary to continue the full amount of improvements there, to the extent of \$250,000?

Admiral PARKS. Last year we had an estimate of \$500,000 in for this project, and it was thought advisable then to give only \$250,000.

Mr. KELLEY. Will you spend all of that \$250,000 this year?

Admiral PARKS. Yes. We can spend on that work approximately \$1,000,000 a year, if it were provided.

Mr. KELLEY. Just what are you doing there?

Admiral PARKS. We are building the quay walls around the piers laid out on the Smolley tract which we acquired a few years ago.

Mr. KELLEY. How many feet of pier wall can you build for \$250,000?

Admiral PARKS. About 500 feet

Mr. KELLEY. How many have you built there since you started this project?

Admiral PARKS. I have not a Norfolk map here. I should think about 2,400 or 2,500 feet.

Mr. KELLEY. That is the water front on the Smolley tract?

Admiral PARKS. Yes.

Mr. KELLEY. How many more feet are there to be fixed up?

Admiral PARKS. As I recall it, we laid out for about 15,000 or 16,000 feet.

Mr. KELLEY. There would be about 3 miles of water front there?

Admiral PARKS. Yes.

Mr. KELLEY. Is it desirable or necessary to build all of that?

Admiral PARKS. It probably is not as necessary now to build that amount as when we made the report in 1914.

Mr. KELLEY. What is the condition of the yard now as to berthing space?

Admiral PARKS. It is badly off for berthing space.

Mr. KELLEY. What is this wall for?

Admiral PARKS. It is for berthing space partly, but it is adjacent to the building ways, this part we are working on now. All the water front we have done is the fitting-out pier, and we are now working on the wall on the other side of the slip alongside of the building ways. That one ought to be finished anyway.

Mr. KELLEY. It is the one that you are working on that this appropriation would cover?

Admiral PARKS. Yes; the one we are working on now.

Mr. KELLEY. Then could we comfortably stop for a while?

Admiral PARKS. We will have to, but I think we will probably put in nearly a mile anyway when we get along here [indicating on map].

Mr. KELLEY. You have finished Slip No. 3?

Admiral PARKS. That is the one we are working on now. We have a wall around here.

Mr. KELLEY. Have you finished the wall on Pier No. 4?

Admiral PARKS. Yes; and are dredging out on this side.

Mr. KELLEY. Where do you want to put this one?

Admiral PARKS. We want to finish out this one.

Mr. KELLEY. That is on the side toward the yard?

Admiral PARKS. The building slips; yes.

Mr. KELLEY. It will take \$250,000 to put that in?

Admiral PARKS. Yes.

Mr. KELLEY. Then you may comfortably stop and leave this part of the yard undeveloped?

Admiral PARKS. Yes; but I think we will probably develop this part out to that slip. We will probably put in those two slips fairly early, that is, in the next four or five years.

Mr. KELLEY. But we can not use Pier No. 4 until this dredging is done out in here, and this wall put in at this point?

Admiral PARKS. We can use Pier No. 4, but not this part here alongside of the building ways. That is all we have got in this year.

Mr. KELLEY. Has this been dredged out here?

Admiral PARKS. All that has been dredged out.

Mr. KELLEY. The ships can come in here?

Admiral PARKS. Yes.

Mr. KELLEY. When this wall has been put up you will have two?

Admiral PARKS. Three berthing places—two in this slip and one on the other side.

Mr. KELLEY. This is all dredged out here?

Admiral PARKS. No, this is the dredged one, and this gives a view of the berth.

Mr. KELLEY. This one is for a wall between slip No. 3 and the building ways?

Admiral PARKS. Yes. That, you see, gives us a chance to get our turning basin right off that entrance. This other was laid out particularly with a view of getting all of the berthing space at the Norfolk yard, and we had nothing at Hampton Roads in contemplation. We have put a lot of berthing space at the base at Hampton Roads, and that reduces the amount that is urgently necessary here. We will probably have here all the berthing space we want for the ships actually under repair.

Mr. KELLEY. So that you think this expenditure this year is vitally necessary because of the location of the work which is to be done?

Admiral PARKS. Yes, it is finishing out that particular side that we need.

ACETYLENE PLANT—COMPRESSED-AIR MAINS.

Mr. KELLEY. Is the acetylene plant necessary this year?

Admiral PARKS. I think I would leave that out.

Mr. KELLEY. How about the compressed-air mains?

Admiral PARKS. They are desirable.

Mr. KELLEY. I know; but this yard, you know, has been running at a pretty great pressure, and we put a lot of money down there.

Admiral PARKS. Yes, a lot of money.

Mr. KELLEY. How much have we added at Norfolk in the last two or three years?

Admiral PARKS. \$37,000,000.

Mr. KELLEY. \$37,000,000 in three years. I guess they have got all the compressed-air mains they will have for a spell out of that \$37,000,000.

NAVY YARD, CHARLESTON, S. C.

DREDGING.

Mr. KELLEY. At the navy yard at Charleston you are asking for dredging, to continue, \$40,000. That always has to continue, does it not, Admiral?

Admiral PARKS. It does.

COALING PLANT.

Mr. KELLEY. Otherwise you could not get in there? How about the coaling plant?

Admiral PARKS. The coaling plant is nearly gone.

Mr. KELLEY. What has happened to it?

Admiral PARKS. Eaten up.

Mr. KELLEY. How large a plant is it?

Admiral PARKS. About 40,000 tons on the shore, and I think about 600 tons on the wharf.

Mr. KELLEY. Where would these ships get coal in the yard?

Admiral PARKS. At present they are getting coal from the railroad terminal a little farther down the river.

Mr. KELLEY. They are not using this at all at the present time?

Admiral PARKS. No; not for coal. We built a considerable coaling plant on lands adjacent to the Southern Railroad, I think it is.

Mr. KELLEY. We have got another plant down here?

Admiral PARKS. We have got a plant down there, but we have got to get off of that land. It is on land that we do not own, and the railroad wants the property.

Mr. KELLEY. When do we have to get off?

Admiral PARKS. I guess we can stay another year.

Mr. KELLEY. We own the plant, do we not, down there?

Admiral PARKS. We own what we have put on the shore.

Mr. KELLEY. Undoubtedly, arrangements can be made with the railroad company to continue the use of that permanently, can they not?

Admiral PARKS. I think they can for another year.

Mr. KELLEY. Do we pay anything down there?

Admiral PARKS. Oh, yes; I think we pay for it.

Mr. KELLEY. How much?

Admiral PARKS. I do not know that. That is under the Bureau of Supplies and Accounts.

Mr. AYRES. Do you have any idea, Admiral?

Admiral PARKS. No; I have never had that figure before me.

Mr. KELLEY. How did we happen to build down there when we could have built a coaling plant somewhere else on our own land?

Admiral PARKS. The railroad had a coaling pier out there, and we made use of that one.

Mr. KELLEY. Did you buy it?

Admiral PARKS. No, we have an arrangement.

Mr. KELLEY. You leased it?

Admiral PARKS. We have an arrangement to handle our coal over their pier to and from the storage area that is back of our land.

Mr. KELLEY. Then there is not any way of getting coal to the ships at this point?

Admiral PARKS. Well, I have a note that the arrangement is being suspended.

Mr. KELLEY. I suppose we should inquire of Admiral Peoples whether it has been or not, and whether it can be continued. We will take that up with Admiral Peoples.

MOTOR GENERATOR SET.

How about the motor generator set down there?

Admiral PARKS. That is the same as at Philadelphia.

Mr. KELLEY. They have not any submarines down there either, have they? This is not a submarine base, is it, Admiral?

Admiral PARKS. No, destroyers mostly.

Mr. KELLEY. But the motor generator set is for submarines wherever we find them?

Admiral PARKS. Yes.

Mr. KELLEY. You do not know how many submarines we have there, offhand?

Admiral PARKS. I had a Van Dyke sheet here that gave the number of each, but that has gotten mixed up in the papers.

Mr. KELLEY. Well, there probably are not any submarines there ordinarily, are there?

Admiral PARKS. I do not know that there are. No; I do not see any in that list.

NAVAL STATION, KEY WEST, FLA.

DEVELOPMENT OF SUBMARINE BASE.

Mr. KELLEY. At the naval station at Key West, Fla., you are asking for the development of a submarine base, to continue, \$800,000. When did we authorize that Admiral; 1918, was it?

Admiral PARKS. 1918, I believe; the act of July 1, 1918.

Mr. KELLEY. How much did we appropriate?

Admiral PARKS. \$1,000,000.

Mr. KELLEY. How much was the work to cost?

Admiral PARKS. \$2,500,000 authorization.

Mr. KELLEY. How much has been spent there?

Admiral PARKS. \$1,733,366 obligated.

Mr. KELLEY. How much has been actually spent?

Admiral PARKS. About a third of that on the 1st of December.

Mr. KELLEY. What has been done?

Admiral PARKS. Generally dredging and piling up the dredged material for a breakwater, and driving the piles for the submarine piers and some alongside of the breakwater.

Mr. KELLEY. What have you done there in the last six months?

Admiral PARKS. Nearly all of the construction work has been done in the last six months.

Mr. KELLEY. Is the contractor at work there now?

Admiral PARKS. He is. He expected to have the total of the \$1,000,000 expended by the 1st of January.

Mr. KELLEY. How much of his contract is yet unfulfilled?

Admiral PARKS. About \$1,100,000, I should say offhand.

Mr. KELLEY. He has had his pay for all the rest?

Admiral PARKS. Yes.

Mr. KELLEY. That is not anything but dredging?

Admiral PARKS. It is dredging, pier work, and breakwater.

Mr. KELLEY. How much of the pier has been built?

Admiral PARKS. I think he has pretty nearly half of his pier work done.

Mr. KELLEY. And the balance is to be done for the other \$100,000 ?
Admiral PARKS. No; the balance is to be done for about \$1,100,000.

Mr. KELLEY. That contract is not let yet ?

Admiral PARKS. The dredging and the piers are all under one contract. We have only one contract there.

Mr. KELLEY. I understood you to say he had finished his contract except \$100,000 ?

Admiral PARKS. No; \$1,100,000. He expected to have \$1,000,000 worth of work done on the 1st of December.

Mr. KELLEY. How much ?

Admiral PARKS. The whole \$1,000,000 that was available, but on account of fire and a few other things he did not get that far along.

Mr. KELLEY. Is there a naval station right adjacent to this ?

Admiral PARKS. Yes; this is the development between the old Key West station and Fort Tyler.

Mr. KELLEY. What is there at the naval station ?

Admiral PARKS. The shops and the marine railway.

Mr. KELLEY. How extensive are the shops ?

Admiral PARKS. I do not think we have put any shops down there to amount to anything during the war.

Mr. KELLEY. I notice you have 355 men in the yard at Key West, civilians unclassified, 76 classified, and 44 officers.

Admiral PARKS. That is not what I meant. There is a good sized coaling plant there.

Mr. KELLEY. This coaling plant is at the naval station ?

Admiral PARKS. Yes.

Mr. KELLEY. That is the chief activity there, is it not ?

Admiral PARKS. There are about \$8,000,000 worth of improvements there.

Mr. KELLEY. How many acres does it cover ? Is it a good harbor there ?

Admiral PARKS. Not particularly good. The naval station covers 20.15 acres of hard land and 28.3 acres of water.

Mr. KELLEY. That is shallow water, I suppose, is it not ?

Admiral PARKS. Thirty feet.

Mr. KELLEY. Is it 30 feet deep ?

Admiral PARKS. I think it is shoaling in there.

Mr. KELLEY. Do you have a good deal of trouble down there about getting any water to drink and to use ?

Admiral PARKS. Yes; there is not any there.

Mr. KELLEY. How do they get water ?

Admiral PARKS. By distilling water, bringing it in tanks car, and from cisterns.

Mr. KELLEY. They have to ship water in ?

Admiral PARKS. Yes.

Mr. KELLEY. How much is the water bill there ?

Admiral PARKS. I think we had a rate of \$3.50 a thousand gallons for the water that was taken in by tank cars during the war, but after the armistice they said they would not haul any more for us.

Mr. KELLEY. \$3.50 a thousand gallons ? How much would that take for the 300 men who are there ?

Admiral PARKS. They figure on 120 gallons per man.

Mr. KELLEY. That would take \$1,000 per man per year for water ?

Admiral PARKS. Those people are not using it at that rate, you know, where water is not readily available.

Mr. KELLEY. That is really a luxury, is it not, Admiral, to build a station where it costs \$1,000 a year for water for the men?

Admiral PARKS. They do not get that much in Key West.

Mr. KELLEY. They ration the water?

Admiral PARKS. Yes. I think it costs about \$7 a thousand gallons to distill the water. It was costing about twice as much to distill as the rate we are paying for tanking.

Mr. KELLEY. Where do you get the water?

Admiral PARKS. From Hempstead Springs, about 128 miles from Key West.

Mr. KELLEY. They bring it down in ships?

Admiral PARKS. They take it down in tank cars.

Mr. KELLEY. On the railroad?

Admiral PARKS. On the railroad.

Mr. KELLEY. How much is the freight for handling the water?

Admiral PARKS. That was included in the cost.

Mr. KELLEY. Do you have to pay anything for the water at the springs?

Admiral PARKS. I think the railroad company owns the springs and furnished the water delivered at Key West.

Mr. KELLEY. This ought to be abandoned, then, ought it not, Admiral? Ought we not settle up with this contractor and quit that place?

Admiral PARKS. What we have done is pretty nearly thrown away; I think it is absolutely thrown away if we do not finish it.

Mr. KELLEY. But if we finish it we will be throwing money away forever. More than we have already thrown away will go out of there every year, will it not? Just what you said about the water and about the harbor would indicate that. You say it is not a good harbor, and the large ships can not get in there.

Admiral PARKS. No; but this breakwater that we are building, if finished and permanent, would make a fair little harbor.

Mr. FRENCH. Is the work that is now being done of such a character that it would go to pieces at once if it is not completed?

Admiral PARKS. A storm or two I think would wash it all back.

Mr. KELLEY. It is just dredging, taking the mud out of the bottom and throwing it up on the bank, and, of course, a good storm would put the mud back at the bottom again?

Admiral PARKS. I think you have expressed it in a way I do not like, and I fear you are nearer the truth than I like. I expected that dredging to be rather hard coral dredging so that we would get a pretty good coral bank there, but too much of it has gone through the suction dredge to please me. I think the description you gave it is a lot nearer the truth than the one I would like to give. But whatever it is, if it is going to be permanent, it must have a good marl protection, and we have not put any marl protection on it yet. The railroad experience is that a bank of marl on that thing will glaze with the waves and will be as good practically as though it were a stone wall.

Mr. FRENCH. That is a kind of clay?

Admiral PARKS. A kind of clay.

Mr. FRENCH. Is that included in the \$2,500,000 limit that was fixed?

Admiral PARKS. Oh, yes. That \$2,500,000 limit is for what we are doing now and the necessary buildings. I have not started any buildings. The only thing was this one contract for the harbor. We have some plans ready for some buildings.

Mr. KELLEY. How much of a town is Key West?

Admiral PARKS. 14,000 or 15,000, I think.

Mr. KELLEY. Is the labor market good there?

Admiral PARKS. No. I understand that a pretty large quantity of cigars that are marked "Key West" are now made in Tampa on account of the labor proposition. It is not good. The only thing, I believe, to consider is whether it has a military value that is worth the money or not, whether it is worth while to have the protection of a submarine base there or not.

Mr. KELLEY. How would this submarine base be protected?

Admiral PARKS. Practically by the submarines themselves.

Mr. KELLEY. Is it an inclosed harbor there, or is it right out on the sea?

Admiral PARKS. We are making one right out on the sea.

Mr. KELLEY. You are building these piers out into the ocean?

Admiral PARKS. We are building——

Mr. KELLEY. Have you a picture of the harbor there?

Admiral PARKS (referring to map). The shore line runs out to Fort Taylor, and Fort Taylor had a wharf extending out a little way from the shore and then off at an angle with the shore. What we are doing is putting that breakwater around on a line with that pier and bringing it around to within 300 or 400 feet of this coaling plant and in losing this area in here as the harbor.

Mr. KELLEY. Is this shallow water?

Admiral PARKS. It is, but we are making 22 feet of water.

Mr. KELLEY. You are dredging this all out? Where are you taking the mud?

Admiral PARKS. Throwing it over into this mole, making this mole out of the dredged material, and then running our piers out here.

Mr. KELLEY. How are you going to hold this mud back?

Admiral PARKS. It is going to be held by the marl on the face of it.

Mr. KELLEY. Where are you going to get the marl to cover that up with?

Admiral PARKS. We hope to get some of it from the harbor, and we will have to take some of it from the beach farther away.

Mr. KELLEY. That will be rather expensive, will it not?

Admiral PARKS. It is rather expensive, but it is the only way to hold it.

Mr. KELLEY. Otherwise the waves will wash it right back again?

Admiral PARKS. Yes.

Mr. KELLEY. If the marl that you speak of should not be a success, then what?

Admiral PARKS. Then it would come back anyway.

Mr. KELLEY. Then the whole harbor would be a failure?

Admiral PARKS. Yes.

Mr. KELLEY. What has been your experience in holding back sand with marl and making it stay?

Admiral PARKS. I have not had any experience with that thing.

Mr. KELLEY. Do you know of anybody else that has ever had any successful experience in covering up sand with marl and forming a solid surface?

Admiral PARKS. The engineers of the East Coast Railroad. I am almost convinced.

Mr. KELLEY. They would like to haul the marl, would they not?

Admiral PARKS. No; they are not doing any hauling on that.

Mr. KELLEY. You would have to haul it over the East Coast Railroad, would you not?

Admiral PARKS. No.

Mr. KELLEY. Where would you get it?

Admiral PARKS. That is taken off the beach with a dredge.

Mr. KELLEY. Is it there?

Admiral PARKS. Yes.

Mr. KELLEY. In large quantities?

Admiral PARKS. I think so; yes.

Mr. KELLEY. Have you ever made an inspection of it yourself?

Admiral PARKS. I have not made an inspection of it.

Mr. KELLEY. Who has?

Admiral PARKS. My project manager has had the principal inspection of that.

Mr. KELLEY. Who?

Admiral PARKS. Kerby Smith particularly. I say I am almost convinced. After it is finished and is a success, I am convinced. But I have not been sure that this was a perfectly assured proposition.

Mr. FRENCH. Is it not so far removed from the more accessible mainland that there would be difficulties from a certain standpoint in keeping in touch with it as a submarine base in the event of trouble?

Admiral PARKS. I think so. I think you could knock out connection with the East Coast Railroad very quickly.

Mr. FRENCH. It seems to me so, because Key West is away out on a long peninsula, and you might say it is made up of dotted islands. It is hardly continuous land.

Admiral PARKS. It is a continuous bridge for miles.

Mr. KELLEY. And this is out at the end of the bridge?

Admiral PARKS. Out at the end of the bridge.

Mr. KELLEY. That is where they are going to hide the submarines from the enemy?

Admiral PARKS. Where they will base them for operation in the straits. You can not hide them.

Mr. KELLEY. Well, this would be a good contract to cancel, would it not, Admiral, to stop this work and let the mud fall back where the Lord put it, in the waves?

Admiral PARKS. I would not want to recommend it, but if you make me do it I can not help it.

Mr. KELLEY. How much would it take of this appropriation to finish up this outstanding contract?

Admiral PARKS. That is a thing I can not tell. Of course, if we finish this contract we have got to have \$800,000 more appropriated, but if they would stop to-day—

Mr. KELLEY. \$800,000?

Admiral PARKS. Yes, \$800,000, but if they would stop to-day I do not know what it would cost me to close up with them.

Mr. KELLEY. Well, whatever it would cost, that will be the end of the expense?

Admiral PARKS. That would be the end of the expense.

Mr. KELLEY. When this station is completed and these buildings that are projected there are erected, what will be the complement of the station? After they get ready to take care of the submarines that are going to be based there, with the necessary shops and machinery, how many men will be supposed to be stationed at this place regularly?

Admiral PARKS. The full capacity I think is 1,200.

Mr. KELLEY. What will be the cost for fresh water alone for 1,200 men, the annual cost?

Admiral PARKS. We will let them have 20 gallons a day.

Mr. KELLEY. You said about \$700 a year, I think, per man a while ago.

Admiral PARKS. We would let them have 20 gallons a day. That is a rational amount there. About \$50 per man per year.

Mr. KELLEY. In a hot climate like that you would let a man have all the water he wanted to drink, would you not?

Admiral PARKS. He can not drink that much.

Mr. KELLEY. Twenty gallons a day on an average for all purposes?

Admiral PARKS. A gallon and a half is a pretty large amount for one man to drink. I think that if you give them 20 gallons, you are giving them all they need for all purposes.

Mr. KELLEY. Bathing and everything else?

Admiral PARKS. Yes.

Mr. KELLEY. They bathe in the ocean down there, do they not?

Admiral PARKS. I do not know whether there are objections to bathing in the ocean or not. I found there were at San Diego.

Mr. KELLEY. Do they have sharks down there?

Admiral PARKS. Stingerees, I think, are the things that interfere with them at San Diego. About \$25 a year per man would take care of the water; about \$50, I guess, you would have to count on, as it may be necessary to distill all water.

Mr. KELLEY. What was it you said a while ago—that the water had to be brought down?

Admiral PARKS. \$3.50 a thousand gallons.

Mr. KELLEY. It was \$700, I thought, per man for water for the station.

Admiral PARKS. I should say that it was about 7 cents per day per man on the 20-gallon basis.

Mr. KELLEY. Seven cents a day?

Admiral PARKS. Yes.

Mr. KELLEY. What was it you said a while ago?

Admiral PARKS. That it cost \$3.50 a thousand gallons to get the water by train and about \$7 per thousand gallons to distill it.

Mr. KELLEY. \$7 a thousand gallons?

Admiral PARKS. Yes.

Mr. KELLEY. I wish you would repeat what you said a while ago about bringing water down there in tank cars.

Admiral PARKS. \$3.50 a thousand gallons during the war period, but after the armistice they said they did not care to continue that contract.

Mr. KELLEY. And 1,000 gallons would be enough a day for 50 men?

Admiral PARKS. For 50 men a thousand gallons; yes.

Mr. KELLEY. \$3.50 a day for every 50 men?

Admiral PARKS. Yes; 7 cents a man.

Mr. KELLEY. That would \$210 a day for water for 1,200 men?

Admiral PARKS. Seven cents a day per man for 1,200 men would be \$84 a day.

Mr. KELLEY. Yes. How much would that be a year?

Admiral PARKS. \$31,460.

Mr. KELLEY. That would be \$24,660 a year for 1,200 men?

Admiral PARKS. \$31,460, would it not?

Mr. KELLEY. What other water would be required at a station like that, that the Government had to pay for?

Admiral PARKS. I think the fire protection down there would be a salt water system entirely.

Mr. KELLEY. How does that work, all right?

Admiral PARKS. Yes, unless you use it at the same time for a flushing system, with brass valve tanks.

Mr. KELLEY. Then what would happen?

Admiral PARKS. It corrodes them very fast, and there would be a great deal of expense in the way of repairs.

Mr. KELLEY. How about the water for the boilers for any of the ships that come in there?

Admiral PARKS. They would better have their own distilling plants, that is their own distilled water, except the destroyers, and the distilling plant we have now would probably take care of most of them.

Mr. KELLEY. The submarines would not have any distilling plant, would they?

Admiral PARKS. No.

Mr. KELLEY. How would they get their water?

Admiral PARKS. They would have to get it from the shore, but these 1,200 I am taking as inclusive of the submarine crews.

Mr. KELLEY. That would depend altogether on how many submarines you had there?

Admiral PARKS. I am taking it on the basis of 18 submarines, three flotillas.

Mr. KELLEY. Let us see if I have got the business transaction straight. You have eight contracts now outstanding, the total amount of which is how much?

Admiral PARKS. The contract itself was \$1,705,000, plus a unit price for certain items that would vary with the work.

Mr. KELLEY. That is for dredging and for piers?

Admiral PARKS. Yes.

Mr. KELLEY. That has proceeded along until the amount expended runs up pretty well towards \$1,000,000?

Admiral PARKS. Yes.

Mr. KELLEY. So that this contractor would have about \$700,000 or \$800,000 worth of work after this fiscal year is over?

Admiral PARKS. No; he would have that from now on. He might easily finish it before the end of the fiscal year.

Mr. KELLEY. If you had the money?

Admiral PARKS. Well, if he did it without getting his pay.

Mr. KELLEY. But after you had this contract out of the way, then, how much is involved in buildings and shops?

Admiral PARKS. We have not anything in buildings and shops yet. The estimate was about \$450,000 for buildings, roads, and all facilities.

Mr. KELLEY. That includes the officers' quarters and the accommodations for the men?

Admiral PARKS. Yes; the officers' quarters, the men's quarters, the mess room, the battery overhauling plant, and all of the buildings and roads that were necessary to accommodate the three flotillas of 18 submarines.

Mr. KELLEY. So that it means that if we do not stop it we will spend these \$800,000 that we are asked to appropriate here, and probably another \$500,000 for buildings?

Admiral PARKS. If you put in the buildings ready for occupation now, but, of course, those could be left until the time when you actually needed them.

Mr. KELLEY. Until you actually needed them?

Admiral PARKS. Yes.

Mr. KELLEY. And the whole success of the project depends on whether or not the silt which you have dug out of the place and thrown back will wash back in again?

Admiral PARKS. Whether it will stay where we put it, or will come back.

Mr. KELLEY. And that is still an uncertain question?

Admiral PARKS. I am probably unkind when I say it is uncertain, because so much had been done to convince me that the marl surface will make it absolutely safe. I ought to have been convinced.

Mr. KELLEY. But you are not?

Admiral PARKS. I will be better convinced when I have seen the result.

Mr. KELLEY. If you had to do this thing, leaving out questions of a military character which have to be passed on by other officers, this is about the last place you would attempt to build a naval station, is it not, considering the water conditions?

Admiral PARKS. I can not see why it was built there, except for military reasons.

Mr. KELLEY. Every other reason is against building the station there?

Admiral PARKS. Yes. The military reasons are the ones that would control in that case, without a doubt.

Mr. KELLEY. But from such a study of military matters as you have been able to give it, it would seem to you that this was a very exposed place, and one not to be built up for military reasons?

Admiral PARKS. Well, I would have to take that in comparison with any other place that I knew was available, and I do not know another one in American territory that is good and conveniently located to the straits.

Mr. KELLEY. Could you not put these submarines at Guantanamo?

Admiral PARKS. That would be a pretty long way off. That would be fairly good for the windward passage.

Mr. KELLEY. The idea of this is to have submarines within a reasonable distance of the passage of ships toward the Panama Canal, I suppose.

Admiral PARKS. The oil fields of Mexico and Texas.

NAVAL STATION, GUANTANAMO, CUBA.

DISTILLING PLANT, INCLUDING BOILERS.

Mr. KELLEY. At the naval station, Guantanamo, you are asking for a distilling plant, including boilers, \$80,000.

Admiral PARKS. That is another station where we have no water supply.

Mr. KELLEY. That is the winter rendezvous of the fleet?

Admiral PARKS. Yes.

Mr. KELLEY. How have they been getting along down there heretofore for water?

Admiral PARKS. Well, they have been getting it very largely from the Guantanamo River, but the supply is insufficient for the present size of the town, and the supply must be increased to meet the town's demand.

Mr. KELLEY. Does the town supply us or do we supply the town?

Admiral PARKS. The town supplies us. At present they do not care to do it.

Mr. KELLEY. They have not as much spare water as they are required to furnish?

Admiral PARKS. They do not consider that the quantity is at all to spare at present, and they are providing a bond issue for a sewer system that will make it necessary, if it is installed, to take a much larger supply, and certain people in New York have been negotiating for the construction of these additional water and sewer facilities at Guantanamo, and want to have us make an arrangement with them to have our water supply in connection with that system, but the arrangement proposed would cost \$4,000,000 or \$5,000,000 in the next five or six years, without our owning anything in the plant.

Mr. KELLEY. This says "Additional distilling plant." Have we a distilling plant there?

Admiral PARKS. We have a distilling plant now.

Mr. KELLEY. And we want to put an addition on it?

Admiral PARKS. They want to put some addition on it.

Mr. KELLEY. If we put an addition on it costing \$80,000, then can we take care of our winter maneuvers for our fleet?

Admiral PARKS. We will just about do it. We have looked into this matter pretty carefully, and to get a natural supply it appears to be necessary to get the cession from Cuba of further land to the eastward, and that is a long drawn out matter.

Mr. KELLEY. You think this perhaps ought to be done?

Admiral PARKS. I think that item had better stay in.

NAVY YARD, MARE ISLAND, CALIF.

MAINTENANCE OF DIKES AND DREDGING.

Mr. KELLEY. For the navy yard at Mare Island, Calif., you are asking for improvements to central power plant, \$180,000. Tell us about that.

Admiral PARKS. The first item is dikes and dredging, \$200,000.

Mr. KELLEY. Where is that dredging to be done?

Admiral PARKS. That is alongside of the water front at the yard.

Mr. KELLEY. Just in front of the yard?

Admiral PARKS. In front of the yard, but the important part there is the protection of the dikes. Those dikes are wooden pile dikes, and the teredo has invaded those waters during the last two or three years, so that they are liable to overturn and be cut out.

Mr. KELLEY. This is a wooden piling driven in at the edge of the bank to hold the bank back in front of this yard?

Admiral PARKS. These are the dikes that extend out into the bay and keep a respectable depth of water in the channel going up to the yard.

Mr. KELLEY. What bay?

Admiral Parks. Down in San Pablo Bay.

Mr. KELLEY. What is the name of the river?

Admiral PARKS. The Mare Island Straits on the Napa River. Here, at the end of the island, they have built a dike, No. 12, which runs out into San Pablo Bay, another dike down here, one on this side of the river, and then the long dike up there upon the Vallejo side. That dike has caused the silt to bank in behind the dike.

Mr. KELLEY. Is this the river here?

Admiral PARKS. No; the San Pablo Bay.

Mr. KELLEY. That is over back of the island?

Admiral PARKS. Westward of the island.

Mr. KELLEY. Here is the navy yard on this side of the island?

Admiral PARKS. Yes.

Mr. KELLEY. Over back here is this high hill?

Admiral PARKS. That is a high hill two or three hundred feet high.

Mr. KELLEY. And this is San Pablo Bay back here?

Admiral PARKS. Yes.

Mr. KELLEY. This wall is built out here to prevent the silt from coming around here and filling up the channel?

Admiral PARKS. Yes; this channel in here.

Mr. KELLEY. And the same thing is protected up here?

Admiral PARKS. No; we have the dikes along this shore sticking out this way, and then a long dike on that side, on the Mare Island side, and then here. Then we have another dike coming out from the shore in this direction.

Mr. KELLEY. What is this water up here?

Admiral PARKS. That is the Mare Island strait. The lower map shows the Napa River.

Mr. KELLEY. Projecting from the island a certain number of feet apparently are these dikes, is that right?

Admiral PARKS. Yes.

Mr. KELLEY. How do they operate?

Admiral PARKS. They restrict the size of the channel so that they increase the velocity of the flow by that point.

Mr. KELLEY. So that keeps the channel swept out by its own momentum?

Admiral PARKS. Yes, it gives the velocity sufficient to carry that weight of silt.

Mr. KELLEY. The purpose of this \$200,000 is to repair these dikes?

Admiral PARKS. Yes, particularly these out here.

Mr. KELLEY. Do you know that \$200,000 will put them in good shape?

Admiral PARKS. No, that will not do anything of the kind, but that is about all we think is desirable to call for in one year.

Mr. KELLEY. This system of dikes is a success as far as creating the current here is concerned, which keeps this fairly clear?

Admiral PARKS. No, I do not think so. I do not think that is sufficient for a 35-foot depth. I do not like to give too much of this right now, because you are going to get a report from the joint committee on Pacific coast affair, in which all of these matters will be laid out, I think, and if it is just as satisfactory to do it that way——

Mr. KELLEY. You think this \$200,000 ought to be spent this year, no matter what is done out there?

Admiral PARKS. Much more than that.

Mr. KELLEY. Because this yard would have to be used for a long time anyhow, would it not?

Admiral PARKS. Well, I believe it will be used as long as we are maintaining a navy of anything like the present size.

Mr. KELLEY. I say, even though you should start a new station at San Francisco, it would be necessary to continue this yard for a number of years?

Admiral PARKS. Unless you get that one at San Francisco four times as large as there is any chance of its being.

Mr. KELLEY. Well, it would take a number of years to build that one at San Francisco.

Admiral PARKS. It will.

Mr. KELLEY. While that is being built this will have to go on?

Admiral PARKS. Yes; and even after that.

IMPROVEMENTS OF CENTRAL POWER PLANT.

Mr. KELLEY. The next item is for improvements to central power plant, \$180,000. How much was spent in this yard during the war, and how much for the power plant?

Admiral PARKS. \$22,000,000, including the machinery investment.

Mr. KELLEY. We added \$22,000,000 during the war, in the last three years?

Admiral PARKS. Yes.

Mr. KELLEY. How much did we spend on the power plant?

Admiral PARKS. I have not those figures up here.

Mr. KELLEY. Can you approximate it?

Admiral PARKS. About half a million dollars, I should say.

Mr. KELLEY. What is the necessity of this?

Admiral PARKS. Well, \$130,000 of this is needed so that you can operate the power plant.

Mr. KELLEY. What do you mean?

Admiral PARKS. The condensing water has to be taken from the water front up to the power plant and sent back. A wood-stave pipe was used for that purpose—red wood, 5 or 6 feet in diameter—to take the water up to the power plant and bring it back.

Mr. KELLEY. That was put in during the war?

Admiral PARKS. No; some years ago, and the teredo has gotten into that and eaten that out, so that it has been necessary to put a temporary sluice here across from the water front to get the water to the power plant for operation, and this \$130,000 is to renew that

in concrete. There is no earthly use in doing it again with wood-stave pipe.

Mr. KELLEY. The \$130,000 is for the building of the—

Admiral PARKS (interposing). Of the condensing-water intake.

Mr. KELLEY. Where does the water come from?

Admiral PARKS. From the Mare Island straits.

Mr. KELLEY. This is to build a sort of conduit?

Admiral PARKS. To build a conduit, a double conduit, one taking the water to the power plant and the other taking it back again.

Mr. KELLEY. Into the Mare Island straits?

Admiral PARKS. Into the Mare Island straits.

Mr. KELLEY. We are taking it in above and letting it out below?

Admiral PARKS. Yes.

Mr. KELLEY. That is made necessary by the replacement of a wooden one which is in use?

Admiral PARKS. Yes.

Mr. KELLEY. What is the other \$50,000 for?

Admiral PARKS. The other is for installing a 5,000 K. V. A. turbine generator and condensing equipment that we have already purchased but have not sufficient funds to install.

Mr. KELLEY. That is for the installation of a new turbine?

Admiral PARKS. One that they have on hand.

Mr. KELLEY. Just the installation of it?

Admiral PARKS. Yes.

Mr. KELLEY. How does it happen that you can use a turbine without paying for it?

Admiral PARKS. We have bought the turbine.

Mr. KELLEY. And the Navy has paid for it?

Admiral PARKS. Yes; we bought the turbine and paid for it, or, rather, we paid 90 per cent, or possibly a little more for it. The balance is not due until the turbine is installed and tested.

Mr. KELLEY. That makes \$180,000?

Admiral PARKS. Yes.

Mr. KELLEY. Then it really is not for the power plant directly, but made necessary by reason of the intake of the water?

Admiral PARKS. It is a very important part of the power plant operation. Without it they can not operate the power plant condensing.

Mr. KELLEY. Why should it cost so much, \$50,000, to install a turbine?

Admiral PARKS. It takes that much in the way of piles and concrete and piping and electric wiring. A 5,000-kilowatt turbine is a pretty large machine.

Mr. KELLEY. Have you ascertained how much of this \$22,800,000 that you spent there in three years was for the power plant?

Admiral PARKS. No, I have not those figures up here.

Mr. KELLEY. But during the time that you were using the plant the old conduits were all right?

Admiral PARKS. They gave out last summer.

Mr. KELLEY. You are still using them?

Admiral PARKS. Well, we put a temporary sluice over the land.

Mr. KELLEY. How long will that last?

Admiral PARKS. That will last for several months, but it is interfering with everything.

Mr. KELLEY. That is on the surface of the ground?

Admiral PARKS. Yes; we put that upon the surface.

Mr. KELLEY. You take the water in from the straits above on the surface-built temporary sluice?

Admiral PARKS. We built the sluice high enough to go over the railroad tracks and things of that kind.

Mr. KELLEY. How does it interfere with the work in the yard if it is up high enough?

Admiral PARKS. We have not built that thing with long spans; we have built it with supports at frequent intervals.

Mr. KELLEY. And the supports are frequently in the way of the yard operation?

Admiral PARKS. Yes.

Mr. KELLEY. But that probably would not last but a few months anyhow?

Admiral PARKS. We could renew that; we probably will renew it once or twice before we get this thing finished. This is a rather difficult job. It has to be done below the water surface.

Mr. KELLEY. How long will it take to put this conduit in with cement?

Admiral PARKS. We probably will not get that in before next spring, if funds are available on the 1st of July.

REBUILDING OF TIMBER WHARVES DAMAGED BY TEREDO, ETC.

Mr. KELLEY. For the rebuilding of timber wharves damaged by teredo and protection of piling under causeway, you are asking \$100,000. Where is this causeway?

Admiral PARKS. That is across the straits. The causeway is between the navy yard and Vallejo, across the straits.

Mr. KELLEY. That is a highway, is it?

Admiral PARKS. A highway and railway.

Mr. KELLEY. And the piling has been eaten out?

Admiral PARKS. We have only had it in there a couple of years, and it was eaten out to such an extent that I think about the 5th of November they suspended traffic over it.

Mr. KELLEY. How do you get over to the island now?

Admiral PARKS. They had to put their ferry boats into commission again.

Mr. KELLEY. How do the freight trains get in there?

Admiral PARKS. They do not get in there?

Mr. KELLEY. You have to cart the things across?

Admiral PARKS. Yes.

Mr. KELLEY. I mean take the things across with a ferry?

Admiral PARKS. Yes. Until this was in all of the freight came in on freight freighters from Richmond or Oakland.

Mr. KELLEY. You just put that railroad in there a little while ago?

Admiral PARKS. We just put it in there.

Mr. KELLEY. And now you can not use it?

Admiral PARKS. I do not know whether we will get it going again or not in the near future.

Mr. KELLEY. Did not you engineers know about this?

Admiral PARKS. About the teredo?

Mr. KELLEY. Yes.

Admiral PARKS. We did not. This has always been a fresh-water yard, but it is not a fresh-water yard any more. The Sacramento River has taken all of the water in the river for irrigation. There is not any of it. The tide is running up the Sacramento.

Mr. FRENCH. It is running up the river for 60 miles, I guess.

Mr. KELLEY. Was it the Sacramento River that brought the silt down?

Admiral PARKS. No; that brought the fresh water down.

Mr. KELLEY. What river was it that brought the silt down?

Admiral PARKS. I think the Sacramento did formerly bring down a large part of the silt from mining operations.

Mr. KELLEY. So, if we lose the fresh water, we lose the silt?

Admiral PARKS. The silt proposition, so far as the river is concerned, has been a dead issue for years. The silt that bothers us here now is that which is floating here in the San Pablo Bay, which is worked up by the tides. It is brought down in here on the high tide and deposited. What comes down the river does not amount to anything, but the objectionable silt is due to the trade winds working on the surface of San Pablo Bay, stirring that silt and carrying it around with the incoming tide and dropping it at slack water.

Mr. KELLEY. What will you have to put in here, cement piling?

Admiral PARKS. No; creosote piles; but we may put some concrete piping around the piles near the water line and down near the mud line to save some of it, perhaps.

Mr. KELLEY. It is necessary to do that in order to use this railroad?

Admiral PARKS. Yes. The Union Pacific and the Central Pacific are entirely rebuilding their work at their ferry across the river, and they have had to abandon their landing at Vallejo. The teredo has done tremendous damage around there in a short time. They used to operate those ferry boats without any sheathing. Now they are sheathing all of the railroad ferryboats.

Mr. KELLEY. Should not these railroad companies build this bridge and maintain it?

Admiral PARKS. No; they have nothing to do with that.

Mr. KELLEY. Do we own the entire causeway?

Admiral PARKS. We own the causeway.

Mr. KELLEY. And they run their trains in there?

Admiral PARKS. The electric road brings the freight in from the Napa Junction connection on the Southern Pacific. The Railroad Administration gave them a 5-cent differential for every transfer to Mare Island.

Mr. KELLEY. This item reads, "Rebuilding of timber walls damaged by teredo and protection of piling under causeway." Is that divisible or is it one item?

Admiral PARKS. It might as well be one item, but it is very small compared with what is necessary to take care of the work.

Mr. KELLEY. How much will the rebuilding of the timber walls cost?

Admiral PARKS. Seven or eight hundred thousand dollars.

Mr. KELLEY. This is just a starter, is it?

Admiral PARKS. Yes, sir; there has been a tremendous amount of damage done there.

Mr. KELLEY. If those piles are damaged, you can take them out, one by one and replace them, can you not?

Admiral PARKS. They are not worth taking out, and we drive new ones near the old ones.

Mr. KELLEY. Can you use the railroad if you put in \$100,000 on this work?

Admiral PARKS. Yes, sir; we are immediately to take care of the piles under the side of the causeway on which the railroad is located. I am doing that now.

Mr. KELLEY. Will this \$100,000 do that?

Admiral PARKS. We will get these piles in before this \$100,000 is available.

Mr. KELLEY. And the railroad will start up before this has been provided?

Admiral PARKS. Yes, sir; but we will have to have more money for the wagon-road part of it. When this item was put in, the most urgent repairs were on the wharves on the lower end of the island and the causeway, but since this estimate was put in, in May, the damage has become tremendous.

Mr. KELLEY. How much do you carry for repairs in the lump sum?

Admiral PARKS. I have estimated approximately \$700,000.

Mr. KELLEY. So you will have \$800,000 for the piers and wharves at that point.

Admiral PARKS. It may be nearer \$2,000,000. We can not tell yet how much of the wall is coming out, but there is a lot of movement of the wall. Some of it is out a foot, and there is no reason to expect that we will be fortunate with any of it, because all of that wall is built on a timber platform resting on piles. If the teredo eats the piles in any one part of it, there is no reason to believe that it will not eat the rest of them.

Mr. KELLEY. Inasmuch as you have \$760,000 there for rebuilding timber wharves in your general lump-sum appropriation, do you not think we could omit this item of \$100,000, or a portion of it, leaving enough to protect the piling under the causeway?

Admiral PARKS. If you give me sufficient in the repair and preservation lump-sum appropriation, this can be left out; but, of course, I am entirely in the dark as to how much will be allowed under the lump-sum appropriation for repairs.

Mr. KELLEY. Of that sum, \$760,000 is for this yard, as you estimated it?

Admiral PARKS. Yes, sir; and as I estimate it to-day.

Mr. KELLEY. If you had that, this could come out?

Admiral PARKS. I would not make any point of this if I could spare \$760,000 out of the other.

Mr. KELLEY. Did you say how much was required for the protection of the piling under the causeway or have you estimated it separately?

Admiral PARKS. For the causeway, \$120,000. On November 26 the estimate on the causeway was \$120,000. It had gone out faster than we thought in May when they put in an estimate of \$100,000 for both.

Mr. KELLEY. Now, I think you stated that the reason for the increase in the maintenance of the dock dredging over last year was that same reason; that is, that the trouble rests with those timbers under the causeway?

Admiral PARKS. Yes, sir; it is all on account of that.

Mr. KELLEY. And the teredo has been going on more rapidly.

Admiral PARKS. Very much more rapidly within the last year or two.

Mr. KELLEY. And that is because of the fact that there is not as much fresh water coming down there as formerly?

Admiral PARKS. Yes, sir. In the last two or three years we have had dry seasons, with very little rain.

Mr. KELLEY. This \$100,000 you have here is sufficient to rebuild the timber wharves and that portion of the causeway where the railroad tracks were?

Admiral PARKS. I think we will have the part where the railroad tracks are finished before. I think I will get that out of other funds.

Mr. KELLEY. How do you propose to protect the piling under the causeway?

Admiral PARKS. We are using creosoted piles for that.

Mr. KELLEY. Did you say it would take \$100,000 to do that alone?

Admiral PARKS. Yes, sir; the estimate is \$120,000.

Mr. KELLEY. You think you can rebuild the wharves and protect the piling, too, with \$100,000, under that part where the railroad tracks are located?

Admiral PARKS. Under the roadway.

Mr. KELLEY. And the entire project, when completed, will require how much?

Admiral PARKS. That \$760,000 was for the timberwork on the wharves and under the sea walls, partly, sufficiently to prevent collapse. That altogether is about one-third of the estimate of the yard of the damage that has been done to the water front. The estimate of the damage is something over \$2,000,000.

Mr. KELLEY. If we gave you \$760,000 for the water front in your lump sum under maintenance—

Admiral PARKS (interposing). Under repairs.

Mr. KELLEY. If we gave you that under repairs, how much would you require under your maintenance?

Admiral PARKS. Nothing.

Mr. KELLEY. Nothing for Mare Island?

Admiral PARKS. Maintenance is not for this kind of thing.

Mr. KELLEY. The \$760,000 for repairs is for the water front?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And the \$200,000 in this bill for maintenance of the dikes is for the water front. That with \$100,000 more for the timbers under the causeway would make \$1,060,000?

Admiral PARKS. Representing about one-half of the damage loss.

Mr. KELLEY. On the water front?

Admiral PARKS. Yes, sir.

SATURDAY, JANUARY 15, 1921.

NAVY YARD, PUGET SOUND, WASH.—FOR GRADING, FILLING, AND SEA-WALL CONSTRUCTION.

Mr. KELLEY. We will take up this morning the navy yard at Puget Sound. This year you have for this yard \$320,000 and you are asking for \$3,750,500 for the coming year. For grading, filling,

and sea-wall construction, to continue, you are asking \$300,000. Suppose you tell us about that.

How much sea wall have we constructed there in the last two years under this improvement?

Admiral PARKS. We have not constructed any sea wall. Under the act of June 4, 1920, we had \$175,000 for that project which was in addition to the amount that had been previously appropriated. We made a request for \$300,000 last year, but, as I believed that \$175,000 would cover the expenditure for the year, the request for \$300,000 was reduced to \$175,000 in the last bill.

Mr. KELLEY. Was that \$175,000 all expended?

Admiral PARKS. We have not expended all of the \$175,000.

Mr. KELLEY. What balance have you on hand?

Admiral PARKS. On the 1st of December we had a balance of \$107,580.

Mr. KELLEY. And you have six months yet to go?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Will you spend the rest of it in the next six months?

Admiral PARKS. I would rather not spend it until I have this \$300,000 available, so as to put all of it under one contract. The project there, as you may recall, is one of making more available level land by grading down a hill on the west side of the yard, and the work that has been done is that of grading. The wall has not been constructed. The idea I had in mind was that after the fill or the grading had settled, we would be in better condition to build the wall economically than if we had to build the wall first in deep water and then should attempt to fill behind it. Therefore, all of the work so far done has been that of grading. The grading is now completed as far as, I think, we are liable to go for a good many years.

Mr. KELLEY. As I recall that place, there is quite a hill there, so that there will probably be quite a large amount of dirt to be removed, but the distance at which it is to be removed is very short.

Admiral PARKS. It is a comparatively short distance. I do not think that the distance between the center of the excavation and the fill would exceed 1,500 feet. Some of it must be moved, of course, much more than that.

Mr. KELLEY. This would make quite a bit of additional land, and would make available to the yard the land that is there.

Admiral PARKS. It has made it available for industrial purposes, or it has made available, I think, approximately 80 acres. That fill is settled enough now to make it reasonable to go ahead with the wall. The idea of the wall there is not to provide berthing for more ships, but a bank wall from which the piers will extend. All the berthing space for ships will be provided for by the piers.

Mr. KELLEY. Is that very deep water beyond the fill?

Admiral PARKS. It is fairly deep.

Mr. KELLEY. You will not have to do any dredging?

Admiral PARKS. We will not have to do any dredging there at the berths. We may do a little dredging after a while in order to back fill the prism that will be left behind the wall, or we may fill that prism by excavating further from the hill. I do not think that dredging is really the way to do it. If you do not dredge, it will be necessary to build, say, 40 feet more of pier in order to get sufficient depth on the pier.

Mr. KELLEY. Now, will \$300,000 complete the grading?

Admiral PARKS. The grading is now completed.

Mr. KELLEY. And you are ready for the wall?

Admiral PARKS. Yes, sir; and this will build the wall or that part of it from which the piers may be built within the next three or four years. It will not build the wall for the whole length of the land, but only on the part that is necessary.

Mr. KELLEY. You will start the wall at the easterly end of this grading?

Admiral PARKS. Yes, sir; the piers at the easterly end would be the first ones to be taken care of.

Mr. KELLEY. Now, there are bank walls on the yard east of this grading, all the way along?

Admiral PARKS. Over on the east side of the dry dock we have put in some additional fill under this grading proposition, and there is a section there without a wall.

Mr. KELLEY. You are not asking for anything on that account at this time?

Admiral PARKS. Only enough to take care of the wall; that is necessary to provide access to the piers.

Mr. KELLEY. This entire amount of \$300,000, plus what you have unexpended, will be for building the bank walls?

Admiral PARKS. The necessary part of it.

Mr. KELLEY. There was an authorization for grading, filling, and seawall construction, was there not, and it was limited to \$750,000?

Admiral PARKS. Prior to last year.

Mr. KELLEY. And that was completed?

Admiral PARKS. No, sir; the grading is completed, but on account of the higher rates prevailing that \$750,000 estimate made at an earlier date was insufficient, and I took the matter up with the committee last year for a further authorization.

Mr. KELLEY. We provided in the bill of July 1, 1918, \$400,000, and in the 1919 bill \$350,000 was provided, making a total of \$750,000.

Admiral PARKS. Yes, sir.

Mr. KELLEY. This \$300,000 that you ask for here is really a new project, in a way?

Admiral PARKS. It is a part of the title that is in here, covering, grading, filling, and sea wall construction, and this is for the sea wall construction. The previous amount was only sufficient with the increased cost to take care of the grading.

Mr. KELLEY. Then, these words "to continue" had better come out of here, because you have exhausted your authorized project.

Admiral PARKS. We had last year an increase of \$175,000, but I have not the exact wording of it. It did not increase the authorization, but it increased the amount.

Mr. KELLEY. The limit of cost for this project has never been changed from \$750,000, so that if you have had \$750,000, this must be for new construction.

Admiral PARKS. It is an addition to the cost of that project. It is the same project given in that title—that is, for grading, filling, and sea wall construction. This is the sea wall part of that item.

Mr. KELLEY. The point I am trying to get straightened out is whether or not you have reached your limit of cost upon this project.

Admiral PARKS. We had reached the limit of \$750,000 before this last appropriation of June 4, 1920, was made.

Mr. KELLEY. Was the original project defined enough so that it would show upon its face in the law just how expensive this grading was going to be, how extensive the filling would be, and how much the sea wall construction would be, or is this an additional project? I know that it is the same general project, but are you contemplating doing more than you had in mind when you asked for \$750,000?

Admiral PARKS. No, sir; we are contemplating the same amount of work.

Mr. KELLEY. Then, you would have to have an authorization, would you not, to increase your limit of cost?

Admiral PARKS. It is a question whether that \$175,000 appropriated on June 4, 1920, did increase the authorization, when it was appropriated "to continue," after the \$750,000 had been appropriated.

Mr. KELLEY. Last year the appropriation was made by the Naval Affairs Committee?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Under the rules of the House, as they were at that time, the Naval Affairs Committee had jurisdiction, probably, to do that. They could increase the limit of cost by \$175,000. If that was the effect of it, well and good, because they had authority to do that, but we have no authority here to further increase the limit of cost. Therefore if this is the original project, plus \$175,000 which was put in last year, the Naval Affairs Committee would have to increase the limit of cost before we could appropriate this extra \$300,000.

Admiral PARKS. That idea had not occurred to me until you just raised it.

Mr. KELLEY. If this were a development not contemplated in the original program, we would have to take jurisdiction of it here to make the appropriation.

Admiral PARKS. It can not be said to be a new project.

Mr. KELLEY. It is to increase the limit of cost?

Admiral PARKS. We had an appropriation by the committee last year.

Mr. KELLEY. Increasing the limit of cost?

Admiral PARKS. Yes, sir; increasing the limit of cost.

Mr. KELLEY. By \$175,000. That may be true, but that would not increase the limit further by another \$300,000.

Admiral PARKS. No, sir; words increasing the limit of cost to any specific amount did not occur.

Mr. KELLEY. If we carried this at all, it seems to me that the language should simply read for the sea wall.

Admiral PARKS. That would do just as well, so far as the project is concerned.

FIRE PROTECTION.

Mr. KELLEY. For fire protection you are asking \$50,000.

Admiral PARKS. That is out.

KEEL BLOCKS OF DRY DOCK NO. 2.

Mr. KELLEY. For keel blocks for dry dock No. 2, you are asking 6,500.

Admiral PARKS. Forty thousand dollars was carried in the bill of June 4, 1920, but that was insufficient by the amount of \$6,500. These additional keel blocks are necessary on account of the greater concentrated weights of the later ships. The blocks were originally placed on 4-foot centers, and they are now required to be on 2-foot centers in order to take care of those weights. Forty thousand dollars appeared to be sufficient for the blocking at the time the estimate was submitted, but after the appropriation was made it was found that \$6,500 would be necessary.

Mr. KELLEY. The \$40,000 has never been spent?

Admiral PARKS. No, sir.

Mr. KELLEY. You are waiting for the balance?

Admiral PARKS. Yes, sir; to complete the work.

Mr. KELLEY. Is this under contract?

Admiral PARKS. No, sir; we have not let a contract.

Mr. KELLEY. Will it be done under contract?

Admiral PARKS. I think it will probably be done under contract. That depends upon the circumstances of the charges, and whether this work can be done better under contract than by yard labor.

Mr. KELLEY. You figured that you would need \$6,500 to complete the project at a time when labor and materials were much higher than they are now.

Admiral PARKS. I think that most things in the way of materials were higher.

Mr. KELLEY. Do you not think now, with the reduced price of material, that the \$40,000 will be sufficient?

Admiral PARKS. It is possible that a little later we will find that to be sufficient, but with the ships on the Pacific it is desirable to have that dock in use rather than to pay docking expenses to private docks, or to take the long trip to Balboa, which means a large fuel expense, to take the ships down there and back.

Mr. KELLEY. I have no doubt about that; but the question is whether \$40,000 under the changed industrial conditions would be sufficient. If you thought six months ago that you needed \$6,500 additional, under the conditions prevailing at that time, you might not need it under the present conditions.

Admiral PARKS. But labor has increased since that date. Whether it will stay up is something I do not know. With the large unemployment, it seems to me that it must come down, but an effort, apparently, is being made to keep the rate high with the number of days employed low.

Mr. KELLEY. That would increase the cost of the work?

Admiral PARKS. Yes, sir. There was a good deal of discussion in the papers recently in regard to a machine shop at Norfolk which was employing 300 men, whereas, under ordinary conditions, they would not require over 40. The machinists' union has bought the shop and has taken control of it under a foreclosure mortgage, or something of that kind. They were employing a large number of men, but were only giving a few days a week employment to each man. If things of that kind occur, it may keep the daily rate high for quite a little while. The daily rate, I believe, is too high now, but Mr. Gompers most decidedly differs with me. He says that with all the increases, the rates for labor have not been gotten up to a parity with the conditions prior to the war.

Mr. KELLEY. So that on any particular project, while you get the work done over a longer period of time than ordinarily would be required, you have found that you have to pay a higher daily rate?

Admiral PARKS. Yes, sir. Now, the people who are working under this union system, I think, according to the reports I have heard, approximate 3,000,000 men in the country, and that is a pretty large percentage of the mechanics in the country. Just what effect that will have on keeping wages up I do not feel qualified to guess.

EXTENSION OF BUILDING NO. 178.

Mr. KELLEY. The next item is for the extension of building No. 178, \$16,000.

Admiral PARKS. That is a shop.

Mr. KELLEY. You want to build an addition to it on account of the fleet being out there?

Admiral PARKS. We need to put in a wood block floor to make that fully available.

ROADWAYS AND SIDEWALKS.

Mr. KELLEY. For roadways and sidewalks you have an item of \$30,000.

Admiral PARKS. That is on account of this area that has been graded down there within the last two years.

Mr. KELLEY. What sort of roadways are these?

Admiral PARKS. This is more particularly for roadways than sidewalks, and it is estimated to take care of the main concrete roadway along the westerly edge of this graded area.

Mr. KELLEY. There are no roads there at all now?

Admiral PARKS. No, sir; that is just the graded area we have for development.

EXTENSION TO PIER NO. 4.

Mr. KELLEY. The next item is \$530,000 for a 700-foot extension to pier No. 4.

Admiral PARKS. That would give 1,400 feet of additional berthing space. At the present time Puget Sound has 5,900 feet of berthing space with over 26,000 feet of vessels based on that yard.

Mr. KELLEY. Have you a list of the vessels based on that yard?

Admiral PARKS. By classes but not by names.

Mr. KELLEY. Suppose you read those.

Lieut. Commander ROUZER. This list gives the class, number, and length of each ship.

Mr. KELLEY. Do not give the length, but give the classes and numbers.

Lieut. Commander ROUZER. Battleships, 9; armored cruisers, 1; destroyers, 52; fuel ships, 3; mine sweepers, 1; subchasers, 3; gun-boats, 1; eagle boats, 1; tugs, 3; cruisers, 1; and ammunition ships, 2.

Mr. KELLEY. Was that the list that operations furnished you when the estimates were made?

Admiral PARKS. They did not furnish it directly. We have a monthly survey, and I take the data from the monthly survey. That shows among other things the distribution of the ships.

Mr. KELLEY. Was that distribution of ships there as of some particular date?

Admiral PARKS. No, sir; they would not all be there at one time.

Mr. KELLEY. But they are actually based there?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Do you know what ships are to be based there next year?

Admiral PARKS. Until the distribution of ships is changed, this is the permanent basing plan.

Mr. KELLEY. Whether a ship is in active commission, or not, it is based as that list indicates?

Admiral PARKS. Yes, sir; all of the ship's patterns and everything of that kind for working on the ship are kept at that yard.

Mr. KELLEY. You have about half as much pier space as would be required for the ships that are assigned to that yard?

Admiral PARKS. Not more than one-half.

Mr. KELLEY. Will this expenditure of \$530,000 give a sufficient amount of space for the ships that are to be berthed there?

Admiral PARKS. No, sir; it will not give us as much as was intended. I have a yard plan on the table, which will show the amount of pier space that is considered urgently needed at this time for the operation of the Pacific Fleet. If you will look at that sheet, I think a glance will show the project. This will show that the plan is very small, compared with what is desired. The berthing space at navy yards for our present authorization of ships is low.

Mr. KELLEY. How much advantage is there in tying ships up at piers over anchoring them out in the harbor?

Admiral PARKS. If you have a ship alongside the pier, you can make your electrical and water connections from the land very conveniently, and your air connections. You can carry on your repair work more conveniently when repairs are under way. You can do it much more conveniently than you could by taking the workmen in boats out to the ship at anchor. Then, if a ship is alongside the pier, you can handle its refuse much better than you can by scows going around to the several ships at anchor. The access of the personnel to and from the shore is also much more convenient. It is largely a matter of convenience and a considerable one of economy to have the ship moored alongside the pier. If it is anchored, with a change in the wind the ship is swinging through a considerable circle, and the length of chain required to safely moor the vessel, if moored to her anchors, means that the radius of the circle through which that ship swings is very large, and very few anchorages are available in a good sized area. If it is a trade-wind harbor where the winds have a prevailing direction, you can lay out your moorings so that the circles overlap very largely, but in a harbor where trade winds do not prevail currents may have as much effect on the ship in swinging out as the wind and the tide. If you have your circles overlapping in such harbors, the chances of collision with swinging ships are considerable. When you consider ships 500 feet and over in length, with the necessary length of chain, you will see that it requires a very large anchorage area for 40, 50, or 100 ships.

Mr. KELLEY. So that the ships that are to be repaired ought to be at a pier?

Admiral PARKS. Yes, sir.

Mr. KELLEY. If it is simply in port as a matter of military honor or anything of that kind, it could be anchored without any trouble?

Admiral PARKS. Yes, sir; but it would be convenient to have it moored to a pier for safety.

Mr. KELLEY. Considering the amount of repairs necessary upon the ships assigned to that yard or ships that you have indicated, would it be necessary to have more than one-half as much pier space as you have in the aggregate length of the vessels?

Admiral PARKS. I think that one-half would be pretty good.

Mr. KELLEY. You have that now, have you not?

Admiral PARKS. No, sir; we have 5,900 feet of berth space, and over 26,000 feet of ships. Of course, when ships are at a pier you do not put the stem of one right up to the stern of another.

Mr. KELLEY. You would not have half of those ships in there at one time, would you?

Admiral PARKS. It depends upon certain conditions. Ordinarily you would not have all of them there at one time.

Mr. KELLEY. Why could we not cut this item in half and provide \$260,000 for that purpose? Would not that carry you along pretty well?

Admiral PARKS. No, sir; I do not think so. I think I would put in the whole of that one.

Mr. FRENCH. The white spot indicates the places where you propose to make the extension?

REBUILDING OF PIER NO. 5.

Admiral PARKS. Yes, sir; the white spots show the improvements that we consider necessary. This [indicating] shows the extension, and the next item is for the rebuilding of Pier No. 5, here [indicating]. That one is in very bad condition.

Mr. KELLEY. What is the condition of Pier No. 5?

Admiral PARKS. It is in a bad condition. It is badly rotted out.

Mr. KELLEY. That is, it is being used now, but it is not in good condition?

Admiral PARKS. It is in very poor condition.

Mr. KELLEY. It should be entirely removed?

Admiral PARKS. Yes, sir; removed and rebuilt. This estimate is for rebuilding it as a concrete pier. It costs more to build a concrete pier than a wooden one.

Mr. KELLEY. How long is Pier No. 5?

Admiral PARKS. It is about 1,200 feet, as proposed. It is about half that now.

Mr. KELLEY. This item is for rebuilding and extending the pier?

Admiral PARKS. Yes, sir.

Mr. AYRES. A concrete pier would last indefinitely, would it not?

Admiral PARKS. Yes, sir; if reasonably well built. It makes the ultimate cost very much less to put in concrete piers. We strongly urge that one.

Mr. KELLEY. How much additional berthing space will this provide?

Admiral PARKS. Four thousand two hundred feet for those two piers.

Mr. KELLEY. When you get those two piers, what will be the total berthing space?

Admiral PARKS. Nine thousand two hundred feet.

Mr. KELLEY. Or about one-third of the total length of the ships assigned to the yard?

Admiral PARKS. Yes, sir.

Mr. FRENCH. Is this pier being used at all now?

Admiral PARKS. They had some mine sweepers and minor vessels alongside it when I was there in November, but it is not a safe pier for any important vessel.

TELEPHONE IMPROVEMENTS.

Mr. KELLEY. For telephone improvements, you have an estimate of \$12,000.

Admiral PARKS. The telephone improvements are important there. The switchboard should be entirely rearranged. Mr. Goss, of the Secretary's office, who practically is the adviser on telephone systems, believes that that is necessary at this yard to reduce the expenditures in "Pay, miscellaneous," which takes care of the telephone service.

Mr. KELLEY. Is this a new telephone exchange that you are putting in there?

Admiral PARKS. It is a new switchboard and a rearrangement of the trunks.

Mr. KELLEY. I should think that this would come under the head of maintenance, and would be paid out of your general fund for maintenance.

Admiral PARKS. No, sir; I do not think it does.

Mr. KELLEY. Or under repairs.

Admiral PARKS. It is an improvement.

Mr. KELLEY. And you could not make it from one of your lump-sum appropriations?

Admiral PARKS. I do not think so; I think it should be specifically appropriated for. The telephone matter is a thing that has grown very largely during the war period, and it is overgrown in places. The Secretary takes particular notice of the telephone matters, and he has a man in his own office to inspect and advise on this thing.

Mr. KELLEY. Do not the telephone companies usually put in their own switchboards and connect up establishments of this kind?

Admiral PARKS. No, sir; not of this kind. We have had some places where the telephone company furnished switchboards and operators, and I think those have been found to be the most expensive ones for us. Of course, this place is a long way from any community of large size.

Mr. KELLEY. Of course, this telephone exchange for the yard does not mean providing telephone facilities for a city, or anything of that sort?

Admiral PARKS. No, sir; it is for the yard alone.

Mr. KELLEY. And the \$12,000 is for a new switchboard, new wiring, and other telephone equipment?

Admiral PARKS. Yes, sir; to reduce the annual cost of operations.

PATTERN SHOP EXTENSION.

Mr. KELLEY. You have an item of \$108,000 for a pattern shop extension. What is the necessity for that pattern shop extension?

Admiral PARKS. The present pattern shop is considered too small for the work and the space lying between it and the foundry is occupied by a dispensary. That is a very crowded part of the yard, and that foundry is too small, but it will have to serve for some time. An area has been provided here [indicating] for what has been considered necessary in the way of a new foundry, but no estimate is submitted for that this year. The Engineer officer finds this building in which the pattern shop is now located insufficient, and desires the additional room that would be provided by filling the space between the present pattern shop and the foundry.

Mr. KELLEY. Building No. 59 is the pattern shop?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And you desire to extend it how many feet?

Admiral PARKS. About 120 feet.

Mr. KELLEY. Toward the foundry?

Admiral PARKS. Yes, sir; toward the foundry, so as to provide a new addition there about 120 feet long and 40 feet wide.

Mr. KELLEY. Is it to be built of cement or brick?

Admiral PARKS. Of brick.

Mr. KELLEY. What ships are being built at Bremerton?

Admiral PARKS. Two ammunition ships, I think.

Mr. KELLEY. Is the yard mostly a repair yard?

Admiral PARKS. They have built some ships there. Three years ago provision was made for the construction of a shipbuilding dock there, and since the completion of that dock at least two ships have been built.

Mr. KELLEY. What sized ships?

Admiral PARKS. I do not know the size of them.

Mr. KELLEY. I have here a list of the ships under construction at the present time, and there are no dreadnaughts or battle cruisers being constructed at Bremerton, nor any scout cruisers. I see that the submarine tender *Holland* is being built there.

Admiral PARKS. There are two ammunition ships and one repair ship being built there. Their length is 482.9 feet. The ammunition ships are 10,000-ton ships.

Mr. KELLEY. Two ammunition ships are being built there now?

Admiral PARKS. Yes, sir.

Mr. KELLEY. I do not find them on this list. Perhaps they are not a part of the 1916 program. I see there is the ammunition ship *Nitro*.

Admiral PARKS. And the *Tyro*.

Mr. KELLEY. I find here the ammunition ship *Nitro* and the repair ship *Maducia*, and also the submarine tender *Holland*. There are three ships being built there now?

Admiral PARKS. Yes, sir; and this shipbuilding dock will take care of the construction of any comparatively large ships. The *Maducia* is 14,400 tons.

Mr. KELLEY. How large are the ammunition ships?

Admiral PARKS. The ammunition ships are 10,000 tons.

Mr. KELLEY. And what is the size of the submarine tender *Holland*?
Admiral PARKS. That is given as 14,400 tons.

Mr. KELLEY. They are good-sized ships.

Admiral PARKS. That dock has had two ships in it at the same time under construction. It is long enough to take a capital ship.

Mr. KELLEY. I notice that on June 30 there were employed there 3,991 men on the unclassified list and 599 on the classified list, making about 4,600 men. How many were there during the war, at high-water mark?

Admiral PARKS. Five thousand four hundred and forty-three unclassified and 592 classified.

Mr. KELLEY. That is about 6,000 at the high-water mark of the war?

Admiral PARKS. That was in December, 1919, and I think there were more than that in November, 1918.

Mr. KELLEY. That was the year after the war?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Unless they have some new ships assigned there to be built, and I do not know what ships would be assigned to be built there, why would they need to have the pattern shop extended?

Admiral PARKS. At the present time the only places on the western coast of the United States available for repairs are Puget Sound and Mare Island, and the fleet having been divided practically half and half, the facilities to take care of half of our fleet are very short on that coast. Now, whatever may be done toward the establishment of a base in San Francisco Bay, the one at Puget Sound will be the one to take care of a large part of that fleet, possibly 50 per cent of it, and the facilities are entirely too small now to take care of that quantity of work.

Mr. KELLEY. Is not the pattern-shop necessity limited by the new construction?

Admiral PARKS. No, sir; I should say that repairs would furnish more work to the pattern shop than new construction.

Mr. KELLEY. So that if one-half, or even one-third, of the Pacific Fleet is based upon this yard, this shop now there is inadequate?

Admiral PARKS. Yes, sir. The Helm Board found that a very large increase would be necessary at the Puget Sound Navy Yard, even if a base of the size recommended by them were established at San Francisco Bay.

Mr. KELLEY. There has been a good deal of trouble about getting men up there, but I suppose that difficulty will disappear when the activities of the yard are sufficiently permanent to warrant men living there and business men in building houses for them?

Admiral PARKS. Yes, sir. The Housing Corporation added quite a number of houses to those available in Charleston and Bremerton during the latter part of the war.

Mr. KELLEY. Are those two villages adjacent to each other?

Admiral PARKS. Charleston is right up against the south end of the yard, and Bremerton is at the other end.

DRY-DOCK CRANE.

Mr. KELLEY. The next item here is for a 50-ton dry-dock crane, \$200,000. What cranes have you there now?

Admiral PARKS. We have a 40-ton crane.

Mr. KELLEY. Only one?

Admiral PARKS. Yes, sir. A 50-ton crane is needed for the new ordnance weights and the steam turbines weights of the new ships. It takes fully a year, or a year and a half, to get one of those cranes, and the necessity in that yard is going to be urgent before we can get one of the cranes there, even though the money is appropriated for this next year. I can not get the contract under way until probably September if this item is appropriated for.

Mr. KELLEY. I thought that we appropriated money last year for a floating crane, or a crane made out of some old battleship material that was to be used at this yard, rather than providing another crane.

Admiral PARKS. That is in lieu of a local floating crane, or a fitting-out crane on the pier.

Mr. KELLEY. Was not the argument made for that item last year that it would do away with the necessity for this crane?

Admiral PARKS. No, sir; not this one, but that had reference to a fitting-out crane there, which would cost something like \$1,500,000.

Mr. KELLEY. How are you getting along with the floating crane?

Admiral PARKS. The Wellman, Seaver & Morgan Co., of Cleveland, Ohio, people have been working on the plans for the crane about three months.

Mr. KELLEY. On the working plans?

Admiral PARKS. Yes, sir; the shop plans. We have a civil engineer, Commander Carlson, in charge of that work at Cleveland.

Mr. KELLEY. That is being done by the Bureau of Steam Engineering?

Admiral PARKS. By the Bureau of Construction and Repair and the Bureau of Steam Engineering, but they have one of my men supervising the plans at Cleveland.

Mr. KELLEY. Will they be able to get it done within the amount that they expected?

Admiral PARKS. I have not paid any attention to their cost, but they are giving \$25,000 to expedite the work on the dry dock at Philadelphia to get the ship into the new dry dock next month, with a view to causing a very large saving in the cost of doing the work, but just how much I do not know.

Mr. KELLEY. This is the ship that you are going to put into the dry dock next month for which you will need the crane?

Admiral PARKS. Yes, sir.

Mr. KELLEY. How will that result in saving?

Admiral PARKS. The beam of the ship must be materially increased to secure the necessary stability, and the additions that will be made to the sides of the hull can be handled very conveniently by the 50-ton cranes that are available on the side of that dock. I think the principal advantage that they are getting in reducing the cost is from the availability of those 50-ton cranes, two of them, available on that dock. The ship crane that we are just mentioning, of course, is not available for handling weights from and to a ship that is in a dry dock, and this crane for which an appropriation is asked is a traveling crane around and along the edges of the dry dock to handle weights while the ship is in dock.

LUMBER STORAGE YARD.

Mr. KELLEY. For lumber storage yard you are asking \$220,000?

Admiral PARKS. The lumber storage at that yard is to be located on land secured by the grading referred to in the first article, and a certain amount of this storage can be covered by \$220,000.

Mr. KELLEY. What sort of buildings do you put up for lumber storage?

Admiral PARKS. About the only buildings put up for it are the dry kiln and enough of an inclosed building to take care of the lumber that has been sent through the dry kiln.

Mr. KELLEY. Most of it is stored outside?

Admiral PARKS. Most of it is preferably outdoors.

Mr. KELLEY. It seems to me this is a large amount for lumber storage?

Admiral PARKS. It is.

Mr. KELLEY. More than you need?

Admiral PARKS. It depends on whether it is going to be necessary within the next year or two to remove the lumber from its present storage area to the final one selected on the development plan.

Mr. KELLEY. Suppose we leave this item out for this year, and let the lumber stay where it is?

Admiral PARKS. The Bureau of Supplies and Accounts believes that they need this for the protection of their lumber.

Mr. KELLEY. You do not think it is imperative?

Admiral PARKS. I think if it is necessary to get the bill down to the dimensions mentioned that that could go over another year without—

Mr. KELLEY (interposing). Interfering with the yard?

Admiral PARKS. Without a very large loss in their lumber.

STOREHOUSE FOR ORDNANCE.

Mr. KELLEY. The next item is "Storehouse for ordnance, \$115,000."

Admiral PARKS. With the sending of half the fleet out there it has been necessary to increase the storage capacity on the coast in that territory.

Mr. KELLEY. How large a building would this be?

Admiral PARKS. Three hundred and forty by fifty, one story high.

Mr. KELLEY. Constructed of what material?

Admiral PARKS. Brick or concrete with steel trusses and a railroad track down the middle, with a concrete floor.

Mr. KELLEY. Is this for shells and powder?

Admiral PARKS. No; not for shells and powder, but for fixed ordnance material that is handled with reference to the ships under repair, gun mounts, and that kind of thing. The ammunition is provided for at the ammunition depot. I think that all of these ordnance requirements set up this year are important for very early consideration.

Mr. KELLEY. You think this ought to be allowed?

Admiral PARKS. I think it ought to be allowed.

Mr. KELLEY. If they did not build the building, what would they do with the guns?

Admiral PARKS. Keep them out under tarpaulin. It is probably an economy to have this building. It has a provision for a crane, so that the cost of handling is comparatively low if you have the building and rather high if you have not.

Mr. KELLEY. You mean the \$115,000 includes a crane?

Admiral PARKS. A traveling electric crane.

Mr. KELLEY. How many tons?

Admiral PARKS. A 10-ton crane.

Mr. KELLEY. Could you purchase a crane under this heading, "Storehouse for ordnance?"

Admiral PARKS. Yes, sir; we put in everything that is a part of the project.

Mr. KELLEY. What will a 10-ton crane cost?

Admiral PARKS. I think that will cost about \$20,000 with a 60-foot span.

Mr. KELLEY. About \$95,000 for the building and \$20,000 for the crane?

Admiral PARKS. Yes, sir.

FREIGHT PIER AND SHED.

Mr. KELLEY. The next item is freight pier and shed, \$1,015,000. Can you let that item go out this year?

Admiral PARKS. That is considered very desirable for ultimate development, but in view of the necessity for restricting more than the several bureaus believe desirable the council thought that item might go out.

Mr. KELLEY. Why would you need to spend a million dollars for a freight shed?

Admiral PARKS. For a freight shed and pier.

Mr. KELLEY. You are building two other piers?

Admiral PARKS. The yard now gets its freight from a landing just outside of the yard, I think, by the Milwaukee road, and a good deal of objection has been raised by other transportation companies to the monopoly of freight handling to and from the Puget Sound yard. If this freight pier and shed were provided, access would be available to all carriers who have water transportation. It may or may not make a difference in the freight cost, but the principal objection raised now is to the monopoly by the Milwaukee road or whichever one owns that landing.

For convenience in handling supplies and stores to the fleet when based in that neighborhood some large supply base is necessary, and this would be a part of the supply base. That supply base probably would be a ten or twelve million dollar investment finally, but you might find that you do not care to have that supply base on the Bremerton side. You might find it advantageous to have it on the Seattle side.

Mr. KELLEY. So there is more or less uncertainty about this development at the present time?

Admiral PARKS. As to how far you want to go.

Mr. KELLEY. You could just let it stand and get the freight over the Milwaukee road for a while?

Admiral PARKS. To get the benefit of the roads for other things it is absolutely necessary.

Mr. KELLEY. This would not facilitate handling your freight?
Admiral PARKS. It would facilitate it.

Mr. KELLEY. Not much. It might let in some other carrier, but the Milwaukee people carry your freight promptly and all right?

Admiral PARKS. I think since they put in their landing we have had better service than ever before.

Mr. KELLEY. What other roads are anxious to get in there?

Admiral PARKS. More particularly, I think, the people who control the boats on the sound.

Mr. KELLEY. Possibly this might be a good investment for them to make individually some time.

Admiral PARKS. It is a pretty large investment for what they would get out of it, I think.

STOREHOUSE FOR PROVISIONS AND CLOTHING.

Mr. KELLEY. You are asking for storehouse for provisions and clothing, \$200,000?

Admiral PARKS. Storehouses are rather restricted at Puget Sound. This is one of the storehouse projects provided for on the new area.

Mr. KELLEY. We built storehouses out there quite extensively during the last three or four years?

Admiral PARKS. Quite a lot, but not enough to meet the demand.

Mr. KELLEY. In 1917 we built a \$500,000 storehouse, did we not?

Admiral PARKS. I think it was the 1917 appropriation.

Mr. KELLEY. You built it?

Admiral PARKS. That is a pretty good sized storehouse.

Mr. KELLEY. How large is it?

Admiral PARKS. About 120 by 250 feet.

Mr. KELLEY. Six stories high?

Admiral PARKS. Seven stories high.

Mr. KELLEY. One hundred and twenty feet wide and 250 feet long?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That will hold a lot of clothing?

Admiral PARKS. That is a general storehouse; that is not all for clothing.

Mr. KELLEY. We can leave this item for storage out this year?

Admiral PARKS. The Bureau of Supplies and Accounts wants it rather badly.

Mr. KELLEY. I know, but they have big storehouses down at San Diego, at Mare Island, and at San Francisco for clothing and provisions.

Mr. AYRES. Have you three storehouses on the Pacific coast?

Admiral PARKS. We have provision for one at San Diego. I have not been able to contract for that yet. The bids were entirely too high, \$5.40 a square foot of floor space. I am hoping to get bids on that by April or a little later that will be somewhat near reasonable so that we can award a contract.

Mr. AYRES. That is already appropriated for?

Admiral PARKS. Yes; \$400,000 has been appropriated. This year we are asking \$250,000 more for it.

Mr. KELLEY. How large a storehouse could be erected for the sum asked for here, \$200,000?

Admiral PARKS. One suggestion is 125 by 150 feet, three stories high.

Mr. KELLEY. Is this other storehouse full?

Admiral PARKS. It is pretty well filled up. I did not look at it in November, but the year before I went through the storehouse pretty well.

Mr. KELLEY. They must have had some storehouse before that?

Admiral PARKS. Yes, sir; but storage is very short on the Pacific coast compared with what we owned and used on the Atlantic coast during the last emergency.

Mr. KELLEY. Could we not rent some storage facilities at Seattle just as good as these?

Admiral PARKS. No; I do not think you could do that. There is some property at Seattle which you could rent at the present time for storage, but a very considerable development, apparently, is under way in Seattle in the filling of the flats in Elliott Bay, the development of an area there for storage and for factory purposes. Little building has been done, and there is one factory down there for aircraft production that, I think, could be secured for storage.

Mr. KELLEY. If we could get that building we would not need to build this one this year?

Admiral PARKS. I do not think that you would really get it for this purpose at Seattle—it would be a questionable proposition to start that clothing storehouse over in Seattle unless you had a lot more with it.

Mr. KELLEY. Have we not any shipping facilities at Seattle?

Admiral PARKS. Under an arrangement which we have we are using a city wharf for our landing.

Mr. KELLEY. Have we not some storage buildings in Seattle?

Admiral PARKS. I do not think we have any. I do not know just what facilities they let us have on the wharf. They might let us have some small storage there, but I have not looked into that. The only things I noticed were the provisions—

Mr. KELLEY (interposing). What sort of provisions are kept there?

Admiral PARKS. Dry provisions.

Mr. KELLEY. Only canned food?

Admiral PARKS. Canned food.

Mr. KELLEY. What do you say, leave this item out?

Admiral PARKS. I should like to say everything I can in favor of keeping it in.

Mr. KELLEY. But you have a feeling that it might properly be left out, have you not, Admiral?

Admiral PARKS. If it is necessary to keep the bill down, I think that is less important than some other things.

RIFLE RANGE FOR SMALL ARMS.

Mr. KELLEY. The next item is "Rifle range for small arms, including purchase of land, \$93,000." Are you going to buy more land out there, Admiral?

Admiral PARKS. The fleet is not provided with the rifle range facilities that are considered necessary.

Mr. KELLEY. I suppose really, Admiral, there is no use to take up any time on this item, because this committee could not authorize the purchase of land.

Admiral PARKS. This is an item which Admiral Coontz, who has been the commandant at Puget Sound, appreciates the importance of and which he particularly asked the joint committee—

Mr. KELLEY (interposing). Well, Admiral, you will have to take this up with the Naval Affairs Committee first, and get the land authorized, and then we will see how much it costs. We have not any authority to do it.

That makes a total that you recommend of \$2,690,500 for this yard, and from that would be deducted the \$220,000 for the lumber storage yard, if we conclude to take that out, \$200,000 for the storehouse and \$93,000 for the land and rifle range.

Mr. AYRES. What about the \$1,015,000 for the freight pier and shed?

Mr. KELLEY. The admiral did not recommend that.

Admiral PARKS. That is, I recommended it originally; but in view of the necessity of getting the bill down to certain limits, I passed it over this time.

Mr. KELLEY. And in view of the fact that it was designed rather to enable different railroads to get a part of the business and to do away with the monopoly of the Milwaukee road.

Admiral PARKS. That was only incidental; that is not the large consideration in this matter.

Mr. KELLEY. If we take off the \$220,000, the \$1,015,000, the \$200,000, and the \$93,000 that leaves \$2,177,500 that you figure to be the very minimum which this yard should have?

Admiral PARKS. The very minimum.

NAVAL STATION, PEARL HARBOR, HAWAII—MACHINE SHOP.

Mr. KELLEY. For the naval station, Pearl Harbor, Hawaii, you had last year \$890,000, and you are asking this year for \$1,946,000?

Admiral PARKS. Yes, sir.

Mr. KELLEY. The first item is machine shop, \$400,000?

Admiral PARKS. We have secured the transfer from the Army of a shop that they were building at Nicetown, Pa. The work had not progressed very far at the time of the armistice; a few columns had been erected; I think that is about all the erection which had taken place, and all of the material was made available for transfer under the general authorization for transfer of excess material from the Army, and the material has been shipped to Pearl Harbor. The estimate for the erection of foundations and things of that kind that we did not get from the Army is \$500,000. One hundred thousand dollars was made available to continue machine shop last year. If the \$400,000 is appropriated at this time, it is believed that this building, which is 535 feet long and 180 feet wide, with three bays, will give the machine shop facilities that are needed for the basic plants of Pearl Harbor and will make it possible to transfer the boiler shop into the building now used for a machine shop, and accomplish two purposes.

Mr. KELLEY. Have you a map of the Pearl Harbor yard?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Let us see just how it is laid out.

Admiral PARKS. The machine shop proposed to be erected is the one inclosed in red [indicating]. That would enable the transfer of

the tools from building No. 3 to that building and give all the space for extension needed in the machine shop, to take the tools out of that building, which are purely boiler-shop tools, and transfer them to this [indicating], leaving that half of the building available for an addition to the ship-fitter's shop. Building No. 4 was put up as a combination shop, divided down the middle, with the ship-fitter's shop on that side [indicating] and the boiler-maker's shop on this side, with the result that even with the few ships that we had, three, to fit up for the last war, it did not work very well. It developed then that we needed to take the whole of that building [indicating] for one or the other and find some other place for the other. This plan of transferring the machine shop there will make that available [indicating] for one or the other and the boiler shop is the one we recommend. The fact is that that building [indicating] was never large enough for the tools and they are very crowded. There is plenty of room to put the tools in, but not plenty of room to work around and take care of the material under construction. We need to transfer them here [indicating].

Mr. KELLEY. That seems like a long way from the dock or ship?

Admiral PARKS. There is only one ship in the dock under repair when you may have half a dozen ships at the piers under repair. That whole development of the shops should be down here [indicating] near the center of the ships at the piers under repair rather than alongside the dock, where only one ship is in dock under repair.

Mr. KELLEY. How much of this other red are you asking for this year?

Admiral PARKS. The electric system connection or work in connection with a road that is not shown here [indicating] going around to the submarine base.

Mr. KELLEY. An electric road, do you mean?

Admiral PARKS. No; electric conductors to supply current from the power house to the whole of this area [indicating].

Mr. KELLEY. How far is it to the submarine base from the main shops?

Admiral PARKS. This line right here [indicating] is a mile and a half, so that makes it a little less than 2 miles around there [indicating].

The water-front development is proposed to extend that far [indicating].

Mr. KELLEY. Up here?

Admiral PARKS. Yes, sir.

Improvements to coaling plant, not shown in red, there have to be additional booms for the cranes so that the cranes can reach the area between the tracks. At the present time you can put only 125,000 tons out of 200,000 tons there by machinery, and to rehandle the rest needs additional booms for the cranes.

Compressed-air system extension—that is, compressed-air piping from the power plant here [indicating] to the new machine shop and to the additional buildings out here [indicating].

Shipfitters' shop, \$15,000; that is to develop building No. 4 after we transfer the boiler shop into this building [indicating].

Water-supply extension, \$16,000. At the present time the water comes in from Mounolua down here [indicating] in this direction.

The Army and Navy have made a study of that thing together and want to get a water supply from Aiea, 2 miles above the corner of the map, and bring it down into this place, and then the Army would take it the rest of the way down here to Kamehameha. The estimate is \$330,000, and the Army is asking for half and the Navy is asking for half.

Mr. BYRNES. Where do you get water now?

Admiral PARKS. From Mounolua.

Mr. BYRNES. How far?

Admiral PARKS. Four miles from here [indicating]. The commanding general found this line very difficult to protect.

Mr. BYRNES. Why?

Admiral PARKS. During the war, on account of the adjacent railroad, the county road, and the sugar plantations, it took a lot of men for the guarding.

Mr. BYRNES. That would occur only in time of war?

Admiral PARKS. That is all.

Mr. BYRNES. In time of peace it would not entail any expense at all to protect it?

Admiral PARKS. No; except some man who may come along——

Mr. BYRNES (interposing). Some vandal?

Admiral PARKS. Yes; who might wish to see if he could puncture the insulation on the electric wire.

Mr. BYRNES. Really the only necessity of the Army to protect this line is in time of war?

Admiral PARKS. No; it needs additional water, and additional water can be gotten from this other place more cheaply.

Mr. BYRNES. Where do you get the water?

Admiral PARKS. From Mounolua, about 4 miles.

Mr. BYRNES. Would you abandon the present supply if you got this new supply?

Admiral PARKS. No; we would use both.

Mr. BYRNES. Have you enough to satisfy your purposes now?

Admiral PARKS. No. We had three ships under repair preparatory to the last war, two German ships and a Coast Guard ship, and our tank by 4 o'clock in the afternoon would not have over 2 feet of water in it. We had all we could do by pumping all night to get through the day's work without the water giving out.

Mr. BYRNES. There has been no increase in the supply?

Admiral PARKS. There has been no increase in the supply. We have an 8-inch line.

Mr. BYRNES. Enlarging the tank would not help you?

Admiral PARKS. Enlarging the tank would help us to a certain extent, it would allow more water in the morning. There is a limit to the amount of water that could be sent through the line.

Mr. BYRNES. Has the Navy made an investigation to ascertain whether or not this is the most economical way of securing an additional supply of water?

Admiral PARKS. The Army and Navy together. They have had two or three boards. They sent out one board a year ago last summer.

Mr. KELLEY. How necessary is it, Admiral, to make a change of this character, because, it seems to me, it will be a very expensive thing?

Admiral PARKS. I think in view of the work that is going on, the aviation station and everything of that kind, that it ought to be done early.

MACHINE SHOP.

Mr. KELLEY. The next item is "Naval Station, Pearl Harbor, Hawaii: Machine shop, \$400,000."

Admiral PARKS. If it is necessary to make the extreme cut in the bill that has been suggested, it was thought we might not erect the whole of this shop at this time and allow \$300,000 toward it instead of the \$400,000.

Mr. KELLEY. On this sheet which you gave me, Admiral, you have cut it out entirely.

Admiral PARKS. We have cut out "Machine shop, to continue, \$100,000" and put in "Machine shop, \$400,000." You will notice on the plan that it is a pretty large building. We have all the material for it, but, if necessary, we may delay erecting a part of it.

Mr. KELLEY. You have not used the \$100,000 yet?

Admiral PARKS. No.

Mr. KELLEY. And you want \$400,000 more, making a total of \$500,000 to be expended there this year for the machine shop?

Admiral PARKS. If it is all appropriated this year.

Mr. KELLEY. How much should we appropriate this year?

Admiral PARKS. If we cut off \$100,000 and make it \$300,000, that would erect all the shop that is immediately needed.

Mr. KELLEY. That would be \$200,000 in addition to what we have now.

Admiral PARKS. Yes; that will give the part that is immediately needed.

Mr. KELLEY. The \$100,000 that was appropriated last year continues available until expended, and you want \$200,000 more.

Admiral PARKS. Yes; that will put up the part that is immediately necessary. All the material has been shipped there.

ELECTRICAL SUPPLY EXTENSIONS.

Mr. KELLEY. The next item is "Electric system extensions, \$100,000."

Admiral PARKS. The electric system extensions are considered necessary.

Mr. KELLEY. Tell us about those.

Admiral PARKS. This was first submitted in 1919 and is here merged with a project that was submitted in 1921, ship-lighting supplies, and covers extensions to the station lighting and power circuits to serve the dry dock, the 1010 wharves, the torpedo boat piers, and also for the necessary direct-current power for the machine shop that we propose to erect under the other item.

Mr. KELLEY. What do you mean by direct-current power?

Admiral PARKS. Direct current.

Mr. KELLEY. Do you buy power out there?

Admiral PARKS. No; we do not buy power. We have a requisition for a certain amount of power that we can get to supplement that which we produce on the station, but I do not think we have ever bought any power under that requisition. I might say that it was

the intention, first, to have a central power plant at this naval station which would furnish the power to the necessary Army posts in that neighborhood; and in 1916, I think, the local power company desired to furnish the power to the Army posts and made a proposition that it would furnish current at a certain rate, which was below that which the Navy was producing at the time, and, of course, the Navy Department can not agree to furnish power at any fixed rate to any other Government department but must furnish it at cost, as it varies. So, as the station could not guarantee to furnish at this rate, the Army went ahead with the local company to get a local installation, but the rate was so low that I immediately made a requisition for 300,000 kilowatt hours per year, and got a contract with the local company at the rate they have named to the Army; but I did it for a breakdown service and that was a lower rate than they have been furnishing to the Army after the connections were made. We have not had to use it yet.

Mr. KELLEY. So you do not expect to spend any of this \$100,000 really for purchasing power.

Admiral PARKS. Not for purchasing power.

Mr. KELLEY. It is all for electrical extensions, and so on.

Admiral PARKS. Electrical conduits and cables and motor generators, etc.

WATER-FRONT DEVELOPMENT.

Mr. KELLEY. The next item is "Water-front development, \$500,000."

Admiral PARKS. That is for an extension of the concrete wharf on the easterly side of the dry dock, to make berths available on both sides of it.

Mr. KELLEY. Was there a limit of cost fixed on this development when it was authorized?

Admiral PARKS. No; there is no limit of cost on that.

Mr. KELLEY. Do you need \$500,000 for this year?

Admiral PARKS. We ought to have the whole amount for that, \$500,000. We can not divide that up into two contracts to advantage.

Mr. KELLEY. Why not divide it into two contracts and make it \$250,000 for this year?

Admiral PARKS. The plant required for the work is the same, and it is a rather considerable plant. That part of the shore is a coral reef, and before piles can be driven it is necessary to put rock breakers and break the top coral shelf, and that requires a considerable plant; and I think it would cost us more money to do it under two contracts, because the first one would have to provide all that plant for his contract, and if we make that contract for only half of it, it is not worth while to advertise. I might just as well agree what price I will pay to the Hawaiian contracting company. There would not be enough for others to afford to put a plant on the work, and the Hawaiian contracting company does have a plant available. I think we would get some competition on the whole of it and would not get any actual competition on half of it. There might be a bid, but it would not be competition.

Mr. KELLEY. How much of an addition to the sea wall will this make?

Admiral PARKS. I believe this adds 1,600 linear feet of berth space, 800 feet on each side, and the berthing space at Pearl Harbor is rather small at the present time. There is 470 feet at the coaling plant.

Mr. KELLEY. This wall is to be built just in front of the shop?

Admiral PARKS. Extending north from the shop.

Mr. KELLEY. How much berthing space is there now?

Admiral PARKS. One thousand and ten feet.

Mr. KELLEY. So you could repair but one dreadnaught there at the present time.

Admiral PARKS. That is all.

Mr. KELLEY. And this will fix it so you can take in three.

Admiral PARKS. Yes.

Mr. KELLEY. How many ships are to be provided for out there? What is the plan of the department?

Admiral PARKS. I think one of the plans provides for 1,200 ships, but there was an executive session of the joint committee at San Diego in November at which the commander in chief of the Pacific Fleet gave certain information, indicating that the capacity of Pearl Harbor is not up to the capacity required for the war-plans schedule and that certain other provisions would necessarily be made if those plans were carried out, and he had two other sites in view, one that would require a rather expensive development of a harbor and the other a rather extensive mining of a certain area; so it is probable, even if 1,200 ships were based on the Hawaiian Islands—

Mr. KELLEY (interposing). We have not 1,200 ships, have we?

Admiral PARKS. This is a war-plans proposition. We had 2,400, I think, in this last war.

Mr. KELLEY. That includes commercial ships and everything?

Admiral PARKS. Yes; it takes in everything, supply ships, and ships of every character.

Mr. KELLEY. How many are you now planning on out there?

Admiral PARKS. Of course, these war plans are the ones that are being considered and yard development plans are made to take care of as much as possible in Pearl Harbor.

Mr. KELLEY. Of course, this location is really the key to the Pacific and undoubtedly we will have to make extensive developments there.

Admiral PARKS. I believe we will. I feel very certain we are going to continue to do it as rapidly as circumstances will permit, until we have reached a certain capacity.

Mr. KELLEY. \$500,000 will build just about enough wall there to berth two dreadnaughts, and that is all you are contemplating doing at this time.

Admiral PARKS. That is all that is contemplated at this time.

Mr. KELLEY. And you have only berthing space for one now.

Admiral PARKS. That is, in the neighborhood of the shop.

Mr. KELLEY. How would you repair smaller craft out there if you had to do it now?

Admiral PARKS. We would put them alongside the destroyer piers, of which we have three at the present time.

Mr. KELLEY. You mean you can berth three destroyers now?

Admiral PARKS. Oh, we can doublebank or triplebank 18 destroyers there.

Mr. KELLEY. That is, put six in a row?

Admiral PARKS. Or three together on each side of each of the piers.

Mr. KELLEY. This is a cement development, I suppose?

Admiral PARKS. Yes; concrete.

IMPROVEMENT TO COALING PLANT.

Mr. KELLEY. The next item is "Improvements to coaling plant, \$75,000."

Admiral PARKS. There is a coaling plant there with a nominal capacity of 200,000 tons in the storage area, but at the time it was built the appropriation was not sufficient to do all the work that was required by the plans. The plans called for parallel tracks over the storage area, four sets of them, and the money available appeared to be sufficient only for three sets of tracks. Instead of building those three sets of tracks where they were originally laid out on the plans and leaving space vacant for the fourth set of tracks to be put in later, these three sets were spread out to cover the space required by four. The coal was handled by locomotive cranes and the booms of the cranes are not sufficient in length to reach the coal at the points midway between the pairs of tracks. So one of the items under this \$75,000 is providing longer booms and smaller buckets that will enable them to handle mechanically the coal into the now dead space. At present, with the present equipment, it is practically available for 125,000 tons instead of 200,000 tons.

Mr. KELLEY. How much of this sum will that improvement take?

Admiral PARKS. About \$15,000 of the \$75,000. Then the coal is all handled on trestles, about 30 feet above the water, in 20-ton air-dump cars. When the coal is to be sent to a ship, it is dumped from those cars on the high trestle over a chute onto the deck of a lighter. Those chutes have not proven to be satisfactory. The coal comes down with too much force and causes a large repair bill on the decks of the lighters, and it is desired to put bunkers at certain places on that trestle on the water front to take the coal from the cars and feed it at less velocity onto the floors of the lighters, and that will take practically the balance of it; that is, we may get in three of those hoppers properly located—

Mr. KELLEY (interposing). How much will this increase the efficiency of the plant?

Admiral PARKS. I would say that that would almost increase it 50 per cent in the facility and rapidity of use, and also in the matter of storage. At the present time, if you want to store in that dead area, you must handle the coal by men and that is too expensive to think of.

COMPRESSED-AIR SYSTEM EXTENSIONS.

Mr. KELLEY. The next item is "Compressed-air system extensions, \$15,000."

Admiral PARKS. That is for the extension of the compressed-air system to the main concrete wharf and to three destroyer wharves immediately to the north.

Mr. KELLEY. How do you handle the work out there now?

Admiral PARKS. I do not know quite how we are handling it out there at the present time. I have been away from there for three years, but these torpedo boat piers were completed just about the time we began the work on the German ships for war purposes, and the contractor who had built those piers still had his compressor plant right there on the site, and we made use of that on the two German ships; but how they have been getting along since I do not know. This item has been submitted from the station two or three times.

Mr. KELLEY. That means you have cut it out two or three times down here?

Admiral PARKS. It means we have not either sent it to Congress or it has been cut out here; that is, so many things have been required for Pearl Harbor that we have not sent up all the estimates that we would have liked to send.

Mr. KELLEY. If you wanted to repair destroyers on those slips, how would you use the hammers unless you had the compressed air?

Admiral PARKS. We would have to take them around somewhere else; but, of course, until this year we have not had many destroyers there—since the beginning of the war.

Mr. KELLEY. But the basing of a larger number of destroyers make it practically necessary to use those torpedo boat piers.

Admiral PARKS. To use to advantage on the destroyers, yes.

Mr. KELLEY. You have compressed-air equipment at the other piers?

Admiral PARKS. At the dry dock.

Mr. KELLEY. That is probably what they have been using this last year and what they are using at the present time.

Admiral PARKS. Yes.

Mr. KELLEY. With the increased number of vessels there, do you think it is necessary to bring this compressed air to all the other piers?

Admiral PARKS. I think it is.

SHIP FITTERS' SHOP.

Mr. KELLEY. The next item is "Ship fitters' shop, \$150,000." We can cut that out this time, can we not?

Admiral PARKS. Yes; in view of the fact we have got to fix up the machine shop first.

WATER SUPPLY EXTENSION.

Mr. KELLEY. The next item is "Water supply extension, \$165,000."

Admiral PARKS. That is a joint Army and Navy proposition to provide an adequate water supply for the Army and Navy facilities in the neighborhood of Pearl Harbor. It provides for taking water from artesian wells on land owned by the Army at Aiea.

Mr. KELLEY. Is this for a new water supply?

Admiral PARKS. It is an additional water supply, a new one.

Mr. KELLEY. It is not a part of the present system?

Admiral PARKS. It is a new source and additional new mains which will be connected up with the present mains in the yard and leading to Fort Kamehameha.

Mr. KELLEY. Then it is an extension of your present system?

Admiral PARKS. It is an extension by providing another source and additional mains.

Mr. KELLEY. But it connects up your present system with another supply of water?

Admiral PARKS. Yes.

Mr. KELLEY. And all will be one water system in the end?

Admiral PARKS. Yes; and this provides for an addition to Ford Island where the joint Army and Navy aviation facilities are being provided.

Mr. KELLEY. What is this source of water?

Admiral PARKS. Artesian wells. The present water supply for the Army is from an artesian well at Fort Shafter, and that for the Navy from an Artesian well at Monola, approximately 1 mile from the Army source. From each one of these wells 8-inch mains are run, one to the naval station and one to Fort Kamehameha. The line to the naval station, outside of the limits, is approximately 4 miles in length. Water is pumped at Monola by electrically driven pumps operated from the naval station. Electric lines run by overhead pole lines along the county road to a point very near Monola and then underground to the wells, and these lines, of course, can be easily cut by people on the county road, and for at least 2 miles the railroad is just the other side of the pole lines, and it is possible to cause damage from the rear platform of a railroad train.

During the war period we carried out military protection of the water system as we would if there had been an active enemy in the neighborhood, and the Army found a large number of men would be required to effectively protect the pipe lines and the electric lines used for the operation of the pumps, and for that reason it is undesirable to increase the water supply from wells located where the present ones are. It would simply mean increasing the number of pipes or the size of the pipes coming from that locality. Moreover, the Army owns land at Aiea on which artesian wells will provide water with a sufficiently small quantity of salt to make the water suitable; that is not the case with all the artesian wells. Some of them contain too much salt to be of use even for sugar plantations. This source is on the shore of the bay and the pipe conveying the water from these wells to the Army and Navy activities can be so located as to require very little guarding, and the plan finally adopted by the Joint Army and Navy Board, which has been approved by both departments, contemplates the wells at Aiea, a 12-inch line extending to the naval station, and an 8-inch line from the naval station to the Kamehameha line, about $1\frac{1}{2}$ to 2 miles from Kamehameha. An additional water supply is needed if any amount of work is being done on the naval station at Pearl Harbor.

Mr. KELLEY. What are all the purposes for which you have to have fresh water at a station like this?

Admiral PARKS. We had one Coast Guard ship and two German ships to repair at the time of the beginning of the war, and the tank in the naval station, 250,000 gallons, I think it was, would be filled in the morning by pumping all night. We would continue our pumps at the maximum capacity of the pipes during the daytime, and by quitting time in the evening, by the day gang, which was the large gang, there would be less than 2 feet of water left in that tank, and

it was a hemispherical bottom tank so that 2 feet represented very little water.

Mr. KELLEY. Just explain somewhat in detail what you use that water for on those ships.

Admiral PARKS. I think a large part of it is used in tank work; that is, in testing tanks, and a considerable amount of it was used in cleaning. Then, of course, the power plant used some; the compressors used some, and considerable is used on the radio station.

Mr. KELLEY. What do they use it for?

Admiral PARKS. For the cooling. A rather considerable amount is used there, and then there will be perhaps 300 marines and an average of 200 at the hospital, and from 800 to 900 employees on the station using it for domestic purposes, and altogether we were unable with that 8-inch pipe to keep a safe supply, so that this is a very desirable project.

Mr. KELLEY. This sum is asked mostly for mains?

Admiral PARKS. Mostly for mains.

Mr. KELLEY. And how many miles of mains will be put in?

Admiral PARKS. I should say about 8 miles altogether, with one booster pump on the Kamehameha line and another booster pump at the air station.

Mr. KELLEY. Will this sum complete that pipe line?

Admiral PARKS. That is the estimate of the Joint Army and Navy Board, and I have been trying to find some surplus stock of cast-iron pipe that can be secured without price and sent out there for that job. I thought I had a good lot the other day—but I find it was not good enough for that pressure. It was light pressure pipe.

Mr. BYRNES. Have you tried to get any from the Army?

Admiral PARKS. That is where we are trying to get it.

Mr. BYRNES. What kind of pipe have they got?

Admiral PARKS. This was 20-inch, 45-pound pressure pipe.

Mr. BYRNES. The reason I ask is, I had a letter yesterday from a man who told me the Army had a surplus of pipe but I did not know exactly what kind it was.

Admiral PARKS. We have looked over the stocks pretty carefully, but I think that \$330,000 will cover it.

Mr. BYRNES. That means that the Army will be spending a certain amount also.

Admiral PARKS. The Army is asking for half the money and the Navy is asking for half.

Mr. KELLEY. I notice in the Army estimates under military posts, Hawaiian Island, they ask for repairs to the Koolan pipe line, \$230,000.

Admiral PARKS. That is another line.

Mr. KELLEY. And they ask for the Kootri Reservoir, \$415,000.

Admiral PARKS. That is another one; that is near the fort up on the hill. They should have an item of \$165,000 there for the Kamehameha line unless they got it last year.

Mr. KELLEY. If the Army has not had appropriated its half, there would be no use for us to make this appropriation.

Admiral PARKS. Yes, it would; because it comes to us first. The Army is beyond us.

Mr. BYRNES. And you mean to carry it on to the Army.

Mr. KELLEY. Are the wells midway?

Admiral PARKS. No; we are midway between the wells and Kamehameha. We get the first benefit.

Mr. FRENCH. And yet you would need to put in pipes large enough for both of you.

Admiral PARKS. Yes.

Mr. BYRNES. It comes to the Navy first, and then the Army is going to carry it on farther?

Admiral PARKS. Yes.

Mr. KELLEY. The only question then would be whether you have asked for a sum sufficient to get it to the naval station.

Admiral PARKS. Yes.

Mr. KELLEY. And with pipe large enough to accommodate the Army also, in case they lay the pipe from your place to the Army post.

Admiral PARKS. That amount would be kind of short, perhaps, for all of it to get to the naval station, if the division is right, because I think there is less than half of the expense beyond the naval station to Kamehameha.

Mr. KELLEY. We could let this item go could we not?

Admiral PARKS. I would recommend not. I would recommend putting it in.

Mr. KELLEY. If we do not put it in, we will have plenty of water out there to do the work in this yard, will we not?

Admiral PARKS. We will if we do not get much more work to do.

Mr. KELLEY. I mean, assuming we have all the work that is contemplated by having the portion of the fleet there that is going to be kept there.

Admiral PARKS. We are running a lot of submarines and destroyers out there, and there is a lot of air work. The air work is going to be probably the hardest on us.

Mr. KELLEY. How long would it take to lay this pipe?

Admiral PARKS. It will take three months to get the material there, and they can lay it in a month and a half or two months.

Mr. KELLEY. Being an artesian well proposition, the laying of the pipe is practically all there is to it.

Admiral PARKS. This includes drilling another well, but that is pretty fast work. Three or four months would do the whole thing after you have the material on the ground.

Mr. BYRNES. Let me ask you with reference to the amount of your estimate, how you arrived at that; based on prices that prevailed in August and September of last year?

Admiral PARKS. No; they are prices of a year ago.

Mr. BYRNES. They were at the top notch then.

Admiral PARKS. I had forgotten we included it in last years' bill. It is on the estimate of the year before. It did not go through on last year's bill, but it is possible the Army's \$165,000 went through on last year's bill.

Mr. KELLEY. Mr. Byrnes is inquiring whether or not there is quite a reduction in the price of water pipe since then?

Admiral PARKS. I think there is.

Mr. KELLEY. But you expect to get this pipe for nothing.

Admiral PARKS. I have been trying to.

Mr. KELLEY. If you succeeded, you would not need the \$165,000.

Admiral PARKS. Not that much.

Mr. KELLEY. And there is a reduction of how much in the cost of iron pipe over a year ago in percentage?

Admiral PARKS. I do not know, but I should think pretty nearly one-third.

Mr. KELLEY. \$100,000 would be sufficient for this work, would it not?

Admiral PARKS. Probably \$125,000 would, but whether or not \$100,000 would be, is a pretty rough guess.

Mr. KELLEY. If you got your pipe for nothing, \$100,000 would be excessive.

Admiral PARKS. But, as I have been looking for that pipe for some time and have not got it, I have about given up hope of getting it for nothing.

Mr. KELLEY. A reduction of 33½ per cent would bring it down to nearly \$100,000. You would be safe with \$100,000, would you not?

Admiral PARKS. I would try it.

Mr. KELLEY. Of course, what you say of this item is true of a great many other items throughout the bill, where we can safely count on a reduction in present prices as compared with your estimates, and we would be justified in making whatever saving would come from the reduced prices, if we know.

Admiral PARKS. If you know what they are. If you know a project requires a material that is not ordinarily carried in stock and must be purchased for that particular job, market prices can be taken into consideration altogether, but if it is necessary to use materials that are ordinarily carried in stock, you have got to consider the prices at which those materials now in stock were bought and not the market prices.

Mr. KELLEY. Who is the proper officer to inquire of as to the amount of stock carried for the Bureau of Yards and Docks?

Admiral PARKS. The Bureau of Supplies and Accounts carries all of the stock.

Mr. KELLEY. They have a detailed account with each bureau and they know just how much lumber they have for you and how much iron pipe of various kinds?

Admiral PARKS. They do not carry it for Yards and Docks. They carry it for the entire naval service.

Mr. KELLEY. I understand they carry it for the whole service, but you are the one that uses it.

Admiral PARKS. I use more of that particular thing.

Mr. KELLEY. So if they have a large stock of lumber on hand, that is lumber that they have purchased for you.

Admiral PARKS. Their purchases are based upon the issues to the several departments, and, of course, their purchases of lumber would be based mainly on issues to Yards and Docks, except in the case of hardwoods, and that would be for the Bureau of Construction and Repair.

Mr. KELLEY. So if they have a superabundance of material on hand used by you, that fact would increase the amounts carried in this bill?

Admiral PARKS. Yes.

Mr. KELLEY (continuing). Over and above what they would be if they did not have anything at all and had to go out and buy now in a lower market.

Admiral PARKS. Another thing that would have to be taken into consideration is the location of that stock.

Mr. BYRNES. Where do they keep their stock, generally?

Admiral PARKS. It is scattered all over the country in all the navy yards. They might have a large stock at New York that we needed at Mare Island. If we got that stock transferred to Mare Island and nothing happened in the way of losses on the way or damage, that stock would be issued to me at the same price at Mare Island that it was carried at New York.

Mr. BYRNES. Who pays the freight?

Admiral PARKS. The freight would be paid out of another appropriation of Supplies and Accounts. Now, that appropriation is not large enough, of course, to do everything they want, and they would not be pleased to transfer any large amount of costly freight across the continent.

Mr. BYRNES. Of course, that would be a silly thing.

Admiral PARKS. It would not be a sensible thing to do.

Mr. BYRNES. Of course, we have to take into account the location of the material.

Admiral PARKS. The location of the material and the place where you need to use it.

Mr. KELLEY. Where would you ordinarily get iron pipe for Hawaii?

Admiral PARKS. That would ordinarily come from the east coast.

Mr. KELLEY. From the Pittsburgh district?

Admiral PARKS. The Pennsylvania district.

Mr. AYRES. Has the Army a considerable amount of other kinds of piping yet, do you know?

Admiral PARKS. I think quite a lot.

Mr. AYRES. I know that a year ago they had thousands of feet of piping, and I saw a lot of it that they were endeavoring at that time to sell, and I had some oil men down here from my country to make bids on it.

Mr. KELLEY. What size pipe will you require?

Admiral PARKS. I would like to put in 12-inch pipe.

Mr. KELLEY. That is an ordinary size, is it not?

Admiral PARKS. Yes; that is an ordinary size.

Mr. KELLEY. Is that the same kind that Mr. Ayres speaks of and the same kind that they use at all the cantonments?

Admiral PARKS. They have more 8-inch pipe than any other.

Mr. BYRNES. And you can not use the 8-inch?

Admiral PARKS. It does not pay.

Mr. BYRNES. Would it pay if you got it for nothing?

Admiral PARKS. Unless it was like a lot that I got for one of the navy yards where it cost me more to use it than it would have cost to have bought the pipe in proper shape. The threads were all in bad shape and had to be recut, and that lot of pipe cost more than new pipe would cost.

Mr. AYRES. They had some pipe in Tennessee, not far from Nashville, thousands of feet of it, of nearly all dimensions, that had not been used at all when the armistice was signed.

Admiral PARKS. One reason that they have not as much cast-iron pipe is that people in the construction division were rather inclined to wood-stave pipe, and they got a lot of that for their cantonment work.

Mr. KELLEY. Is that the same kind you used at Quantico?

Admiral PARKS. That is the kind that was put in at Quantico.

Mr. KELLEY. And it will last about one year?

Admiral PARKS. That is partly due to something else and not because it is wood. We have a line at Charleston, S. C., that is in good shape yet and will be for a long time.

Mr. KELLEY. When was that put in?

Admiral PARKS. That was put in in 1918.

Mr. KELLEY. You really think that you must have this pipe this year?

Admiral PARKS. I think the sooner the better for that.

Mr. KELLEY. But still you can operate the plant and have plenty of water if we do not give it to you this year?

Admiral PARKS. Not plenty.

Mr. BYRNES. How much pipe do you want, and then we will try to see if we can help you get the pipe.

Admiral PARKS. I guess about 6 miles.

Mr. BYRNES. Six miles of 12-inch pipe?

Admiral PARKS. I do not think it all needs to be 12-inch. I think about 2 miles of it can be 8 or 10 inch, and the other 12-inch.

Mr. BYRNES. About 4 miles of 12-inch?

Admiral PARKS. Yes.

Mr. KELLEY. And you want this whether the Army goes ahead with you or not?

Admiral PARKS. We get the first benefits from it.

Mr. KELLEY. But you are going to pay the whole expense and you think it is worth that much to you?

Admiral PARKS. In getting it to the naval station; yes.

Mr. KELLEY. And you are putting it in on the basis of having pipe large enough to accommodate both the Navy and the Army?

Admiral PARKS. Yes.

Mr. BYRNES. What are you going to do with the Army as to the cost of digging the well? Are they going to share that cost?

Admiral PARKS. We will try to get the Army to dig that well. There is one well there I know that I can hook onto now.

Mr. FRENCH. The expense ought to be prorated and when it comes to the cost of the 12-inch pipe, that pipe is so much more expensive than the 8-inch pipe, they ought to share in that.

Admiral PARKS. Yes; but I rather have the idea I am going to do that job for less money than they have estimated.

Mr. KELLEY. The Army is a little bit slow about settling with other departments, are they not?

Admiral PARKS. Yes; and the accuse us of being the same way.

Mr. BYRNES. Each accuses the other and that is why I suggested we might be able to help you out.

Admiral PARKS. We have been doing pretty well though. We have been working very comfortably for the last year or so. I think we are on pretty good terms.

Mr. KELLEY. How much of this \$165,000 will be required for labor in putting the pipe in the ground? Common labor is pretty cheap out there, is it not?

Admiral PARKS. Not so awful cheap. It is at a lower price per day than the prevailing rates on the coast, but that does not make it so awful cheap. That is a question that has not been settled. The

board is desirous of putting some of this thing under water, possibly a mile and a half of it, and I want to put it on land.

Mr. KELLEY. It would be cheaper to put it in the water, would it not?

Admiral PARKS. It is cheaper to lay it in the water, but if you lay it in the water you have to have bell joints that cost you more and are apt to leak. Pipe laid through the water is hard to take care of. If you put it in the water, the labor is going to be much less than if it is put along the beach.

Mr. KELLEY. What is the character of the beach down there—rocky?

Admiral PARKS. For a part of the way it is disintegrated lava soil lying on top of a coral shelf.

Mr. AYRES. You do not have to go very deep?

Admiral PARKS. No; you have to have it deep enough to be unobtrusive to people who are walking over it. You do not want them to know just where it is.

Mr. KELLEY. Suppose you put it on the land; how much would it cost for labor?

Admiral PARKS. Something like \$1,200 a mile.

Mr. KELLEY. That would be \$7,200.

Admiral PARKS. I think that would be less than the cost of the bell joints. We have one bell-joint line out there, only a short way, about 1,600 feet long, and it gives us trouble on account of leaks.

Mr. KELLEY. If you got the pipe for nothing anywhere in the United States, would it take \$100,000 for freight out there?

Admiral PARKS. Not if we got the pipe for nothing.

Mr. KELLEY. What would be the freight on this amount of pipe from Pittsburgh, we will say?

Admiral PARKS. I have not paid any attention to transcontinental rates since they were increased, but I think they are about \$120 a ton now.

Mr. AYRES. How would that pipe go to Hawaii?

Admiral PARKS. I think it would probably go through the Panama Canal.

Mr. AYRES. Then it would be much less?

Admiral PARKS. Yes.

Mr. AYRES. Would the transports carry that kind of freight?

Admiral PARKS. They do not have room enough to take the material that is offered now. We are attempting to run some Navy transports and we are short of space, and the sugar boats that formerly went from the east coast to the island have gone off that business since the war. So it is not as easy to get through freight from the Atlantic coast to the islands as it used to be. It might go across the continent.

EXTENSION OF FORGE SHOP.

Mr. KELLEY. The next item is, "Forge shop extension, \$15,000."

Admiral PARKS. That was intended to be "Forge shop." I think that can go over.

PURCHASES OF LAND.

Mr. KELLEY. And the next item goes out, "Purchase of land, \$20,000," because we have not authority to buy land.

Admiral PARKS. That is a desirable thing.

Mr. KELLEY. You will have to take that up with the Committee on Naval Affairs.

IMPROVEMENT OF STORAGE FACILITIES.

The next item is "Improvement to storage facilities, \$400,000." What do you mean by improvement to storage facilities?

Admiral PARKS. That means putting up another storehouse.

Mr. KELLEY. Then what is the use of putting the word "improvement" there. It should be "additional storage facilities" or "additional storehouses."

Admiral PARKS. "Additional storehouse" or "additional stor-

houses."

Mr. KELLEY. Which is it?

Admiral PARKS. That would be about one.

Mr. KELLEY. What about our storage facilities out there now?

Admiral PARKS. We have general storehouses with 72,000 square feet of space and special storehouses of 33,600 square feet.

Mr. KELLEY. That does not mean very much to me. Tell me just about how large the building is and how many floors, etc. How large is this storehouse?

Admiral PARKS. That one is about 350 feet long. At the beginning of the war it was 219 feet long and we put on an addition, as I recall, of about 150 feet, and the building is 61 feet wide and three stories high. That is a concrete building for general storage. Then for steel storage, we have a steel frame building with the roof and the upper parts of the sides closed and the lower parts of the sides open. That is 240 feet long and 55 feet wide. And then a lumber storehouse, 200 feet long and 71 feet wide.

Mr. KELLEY. What is this storage to be?

Admiral PARKS. This is to be general storage.

Mr. KELLEY. Made necessary for what reason?

Admiral PARKS. On account of the additional use of the station and the assignment of ships.

Mr. KELLEY. How many more ships will be based there next year than are there now under the plans with which you have been furnished?

Admiral PARKS. I do not have a statement of the number of ships they are going to add there.

Mr. KELLEY. Then how can you tell how much storage you will need?

Admiral PARKS. We know that there is a board report estimating the amount of storage that is going to be required for the use of the fleet, and this is one element toward that. This is probably not over 10 per cent of the storage that is estimated for when the fleet is operating on that base. This is one element toward providing the ultimate storage. There is nothing to make this absolutely essential for this year or for next year.

Mr. KELLEY. That is, it has not any special relation to immediate needs but in carrying out the ultimate plan for the station, this is another unit of storage.

Admiral PARKS. That is all.

Mr. KELLEY. It does not mean that more storage will not be needed or that this particular storage will be needed at once.

Admiral PARKS. No. Right offhand, I should say that it is not over one-tenth of the additional storage that the plans call for.

Mr. KELLEY. Whose plans are you speaking of now?

Admiral PARKS. These are the general yard development plans that were prepared under Operations and submitted to the Secretary for approval. The General Board is considering them just at the present time.

Mr. KELLEY. Is there any other rule that we could go by that would give us some direction in this matter of storage out there?

Admiral PARKS. I think the proper rule is to determine the ultimate development that is needed for the operation of a fleet under certain conditions of requirement, and estimate about how much time will elapse before that is needed, and appropriate for the elements as the financial condition of the country will permit.

Mr. KELLEY. Of course, nobody can tell whether it would ever be needed?

Admiral PARKS. It is wholly a matter of estimate.

Mr. KELLEY. Had we not better leave this out until the General Board has time to look it over and see what they expect to do?

Admiral PARKS. I think it is a good thing to get some in if we can this year.

Mr. KELLEY. This is to be an addition to the other storage building?

Admiral PARKS. Another storage building.

Mr. KELLEY. We could cut it in two and make it \$200,000?

Admiral PARKS. You can do that, but there is so much required for the development of the base that I think a good deal of attention should be given to it each year until what Congress decides is necessary has been provided.

ATHLETIC FIELD.

Mr. KELLEY. Athletic field, \$6,000. What about that, Admiral?

Admiral PARKS. That is for the convenience and contentment of the enlisted men.

Mr. KELLEY. Do you intend to purchase an athletic field?

Admiral PARKS. No, sir; to prepare one for the enlisted force.

Mr. KELLEY. You have money enough in "Maintenance" to fix up an athletic field?

Admiral PARKS. I do not know how much money I have in "Maintenance."

Mr. KELLEY. I know; but you have asked for enough. You do not want a little item for an athletic field to appear in the bill. Then you have \$800,000 in the recreation fund—certainly you would not want a little item like this carried?

Admiral PARKS. I do not care for it as a separate item.

Mr. KELLEY. Then we can cut it out?

Admiral PARKS. Yes. We are under the disadvantage of not knowing what the committee is going to do in the bill when it submits it.

Mr. KELLEY. We do not know ourselves, yet.

FOUNDRY EXTENSION.

Foundry extension, \$100,000?

Admiral PARKS. I thought that could go over until next year.

NAVAL STATION, TUTUILA, SAMOA.

Mr. KELLEY. The next item is, "Naval station, Tutuila, Samoa, storehouse, \$24,000." You are going out pretty far away from home.

Admiral PARKS. They think they have not very much there.

Mr. KELLEY. If we had very much there an enemy could take it away?

Admiral PARKS. I think so; I do not think there would be any trouble about that.

Mr. KELLEY. You do not care about that item this year?

Admiral PARKS. I think we might as well let Tutuila have \$24,000.

Mr. BYRNES. What have you there?

Admiral PARKS. We have a coaling station.

Mr. KELLEY. Do you consider this item pretty important?

Admiral PARKS. Yes. Our total investment in Tutuila is rather small, \$104,000.

Mr. BYRNES. What is the necessity for a storehouse there?

Admiral PARKS. They need that for the handling of the material of the station. It is primarily a coaling station.

Mr. BYRNES. How are they handling it now?

Admiral PARKS. They have a small storehouse, and they need this much more, they think.

Mr. BYRNES. What do you think?

Admiral PARKS. I have not been there. In view of the disturbance that has occurred down there, I think a good many people have been on their nerves and possibly the conditions are not very favorable. I felt very much inclined toward saying that the \$24,000 was desirable.

Mr. BYRNES. But you have no statement as to the necessity at all.

Admiral PARKS. They say they need it for storing their material. I do not know just how much they carry down there. It is an out-of-the-way place.

Mr. KELLEY. The smaller storage facilities we have there, the less they will carry.

Admiral PARKS. I think they will carry less. Except canned goods in that kind of a place, it is not very convenient to carry stock.

Mr. BYRNES. Unless they have some arrangement now they could not store stuff of that character?

Admiral PARKS. They have some.

Mr. BYRNES. Unless you are increasing your activities there in some way, what is the necessity of the additional storehouse?

Admiral PARKS. I can not put up a very good argument for it.

Mr. BYRNES. Then, you can not expect us to put up a very good argument.

Mr. KELLEY. He does not.

NAVAL STATION, GUAM.

The next item is, "Naval Station, Guam: One fixed ammunition house, \$40,000." What about that, Admiral.

Admiral PARKS. All down to "toward submarine and destroyer base, \$1,300,000," are the same things; that is, there are several buildings required for the handling of the guns that are now either at the island or on the way, that are being handled by the marines.

Mr. KELLEY. Admiral, before the Navy makes any improvements of any consequence in Guam, we would have to have an understanding with the Army so as to know that they would fortify the place so that nobody could take it away from us?

Admiral PARKS. I think there is a bill pending now for something like \$25,000,000, of which \$5,000,000 is for the Navy and the other \$20,000,000 is for Army fortifications.

Mr. KELLEY. You understand, that is only a bill, Admiral?

Admiral PARKS. Yes.

Mr. KELLEY. This is a new extension that somebody evidently figures that we ought to make at Guam in addition to anything that we have heretofore done.

Admiral PARKS. I understand that you have had a full explanation of the necessity of the Guam development from Operations.

Mr. KELLEY. This sort of an arrangement has never been authorized. There are no ammunition houses or shell houses.

Admiral PARKS. I think there are some.

Mr. KELLEY. There is certainly no destroyer base?

Admiral PARKS. No; that is a new thing.

Mr. KELLEY. Please tell us what there is at Guam.

Admiral PARKS. Magazine; there are 11 buildings.

Mr. KELLEY. It would be a poor place to store ammunition, unless it was protected?

Admiral PARKS. Yes; you need the buildings for protection if you have it there.

Mr. KELLEY. If we are going to make any considerable development at Guam, it would have to be a tremendous development to make the place impregnable?

Admiral PARKS. I feel that it should be very large, if you do it.

Mr. KELLEY. Otherwise an enemy might take it away from us and use it against us, use it as a base against us?

Admiral PARKS. I think I am in agreement with some of the others, so far as the desirability of properly taking care of a certain quantity of submarines is concerned. I think that they may be of a great deal of value in enabling us to retain possession of Guam if trouble arises.

Mr. KELLEY. If we take care of the stations on the Pacific coast, on our mainland and Hawaii, that is as far as the naval policy of this country has developed up to date, is it not? That is, these others are just little naval outposts?

Admiral PARKS. I do not think that is quite it. I am not familiar with everything that the General Board has done on that line, nor everything that has been prepared by others, but several years ago I do know that Admiral Niblack got out a statement that showed an advantage in the line approximately of Guam, Midway, and Dutch Harbor.

Mr. KELLEY. I imagine that an officer could write an essay on that subject, but I am talking about the naval policy established by Congress looking to the development of outposts beyond Hawaii, that has not been done?

Admiral PARKS. That has not been established by Congress, but it has been prepared for submission.

Mr. KELLEY. A large appropriation for places beyond Hawaii would need to be preceded by authorization to keep faith and have the support of Congress?

Admiral PARKS. I think that a properly prepared dissertation on that subject ought to be submitted to Congress. I think one has been this year.

Mr. BYRNES. I understood you to say that this was necessary to take care of the guns that were either sent there or on their way?

Admiral PARKS. Yes, sir.

Mr. BYRNES. Who has been sending them there?

Admiral PARKS. They are ordnance guns that are being sent to be handled by the marines. Whether they are turned over to the marines to be sent over there or to be turned over to the marines after they are there, I am not sure.

Mr. BYRNES. Are you sending them there, regardless of whether or not this policy you referred to has been definitely determined upon?

Admiral PARKS. I think so?

Mr. BYRNES. If that is dependent on the policy, as the chairman indicates it should be, what is the idea of sending this ammunition out there?

Admiral PARKS. I do not know whether it is an operations or a department proposition. If it is a department proposition, the Secretary, of course, will take care of that.

Mr. KELLEY. This Island of Guam is in the vicinity of the Marshall Islands?

Admiral PARKS. It is not far away.

Mr. KELLEY. Under the treaty of Versailles the Marshall Islands all go to Japan, so far as the administration is concerned. With Japan commanding the islands all around this spot, with Japan the only great naval power in that part of the world, what would you say about putting guns and ammunition there without any protection on the Island of Guam?

Admiral PARKS. That is putting a military question up to me.

Mr. KELLEY. But you seem to be pretty well qualified.

Admiral PARKS. That is really something that operations might give a responsible answer to.

Mr. BYRNES. The position you take is that protection should be provided for this stuff which has been forwarded there?

Admiral PARKS. These facilities for taking care of the ammunition; yes, sir.

Mr. KELLEY. They can bring the ammunition back?

Admiral PARKS. Yes; it could be done.

Mr. KELLEY. That is as to this submarine and destroyer base, how much would the rest be?

Admiral PARKS. About \$4,500,000 altogether.

Mr. KELLEY. How much do you expect to spend on the Island of Guam all told when the whole project is completed?

Admiral PARKS. I made an estimate the other day, but I am told that it was too high.

Mr. KELLEY. How much was it?

Admiral PARKS. About \$80,000,000. I was told that it was too high, and I thoroughly agree.

Mr. BYRNES. You made an estimate for what?

Admiral PARKS. For something that would take care of 1,200 ships.

Mr. KELLEY. That is the number that you will take care of in Hawaii?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That is, one at Hawaii, one at Guam, and another in the Philippines?

Admiral PARKS. I do not know whether we will go that far or not.

Mr. KELLEY. That is the only reason we should make the appropriation.

Admiral PARKS. I do not think it is desirable to have a submarine flotilla for protection in outlying places of that kind, when we have not material fortifications. Whether the Army is going to put \$20,000,000 in fortifications there—

Mr. KELLEY. If you had a few submarines, they would be captured in a few weeks?

Admiral PARKS. No; I think they would keep a pretty good-sized force away from the place for awhile, probably long enough for us to get there from Hawaii.

NAVAL STATION, CAVITE, P. I.

Mr. KELLEY. For the naval station, Cavite, P. I., this year you have \$25,000, and you are asking for \$964,000. If we give the Philippines their independence I suppose we would have a station there?

Admiral PARKS. I think we would probably have a station; whether it is Cavite or Olongapo or some other place, I can not very well tell.

Mr. KELLEY. We do not know where it would be, or how much it would cost to put it in shape.

Admiral PARKS. Not very well.

Mr. KELLEY. This appropriation for Cavite can all come out, except the oil storage?

Admiral PARKS. I think so.

Mr. KELLEY. Shall we take the exception and take it all out?

Admiral PARKS. I would not take the exception; I would make the exception a little larger. The ships working on that station, of course, need fuel oil.

Mr. KELLEY. Usually, what ships are on that station?

Admiral PARKS. A lot of comparatively small ones; a lot of destroyers.

Mr. KELLEY. No; not destroyers. There are only 3,000 men on all the ships in the Asiatic Fleet, in China, Japan, and all the way along there?

Admiral PARKS. Perhaps, there might be more of them, if they had a better fuel supply. The water-front improvement is the one we thought we could leave out this time, in view of the large reduction necessary in the bill. If we are going to have many destroyers around there, the marine railway is rather important.

Mr. KELLEY. Do you not think that the uncertainties surrounding the Philippine Islands are such that we would not be justified in expending anything like the sum proposed here at a time like this? Let us leave out all of these items, except the fuel storage and talk about that. Of course, if we do not carry out this policy of taking all of these ships as far into the Orient as we can and building up against possible imaginary dangers, we do not need any of these items?

Admiral PARKS. Of course, if we gave up the Philippines, got out entirely, we would not need anything there.

Mr. KELLEY. If we put this whole program into effect at Cavite and we had any trouble over there, our enemy would take it right away?

Admiral PARKS. I do not think there is much doubt of that.

Mr. KELLEY. And the more oil we had there the better it would be for them?

Admiral PARKS. I think so; but we do need that kind of a thing for ordinary operations.

Mr. KELLEY. We appropriated \$25,000 for fuel storage last year. Now, there are only a few torpedo ships plying in and out of that place, little cruisers and small craft of different kinds that are 20, 25, or 30 years old?

Admiral PARKS. But certain other ships, destroyers, and eagles, perhaps, have been sent there. I have not that detail with me.

Mr. BYRNES. Assuming that we granted independence to the Philippine Islands, has the department figured out that they want to maintain a station of this kind there?

Admiral PARKS. I do not know whether the plans have been definitely considered in that way or not, but there has been a controversy for several years over Cavite and Olongapo with the idea that one place was essential. The preference from this side of the continent is Cavite, but people leave here and go to Cavite to move the station from Olongapo to Cavite, and they do not do it; it still stays at Olongapo. It is impossible to move it to Cavite until we have spent some money and made some land. I think 38 acres are available at Cavite at the present time.

Mr. BYRNES. It looks to me like the department should determine upon a policy, and to do anything in the absence of a policy I can not understand.

Admiral PARKS. The policy, so far as the department is concerned, is to transfer Olongapo to Cavite. It will require two or three million dollars to do it.

Mr. BYRNES. Then, why do it?

Admiral PARKS. That money has never been appropriated.

Mr. BYRNES. Unless there is some very good reason the chances are it should not be—unless there is some military reason?

Admiral PARKS. It is supposed that Olongapo is very vulnerable to attack.

Mr. BYRNES. What do you think about it yourself?

Admiral PARKS. I am pretty much inclined toward a million or so there to take care of the destroyers and small craft, and it is much more economical to operate that for the repairs, and it is probably much cheaper to do this work in our own marine railway than it is to send them to Hongkong and Shanghai for the docking and repairing.

Mr. KELLEY. That is only a short distance of 500 miles across there. They want to steam anyhow.

Admiral PARKS. We have some shops there now.

Mr. KELLEY. They are not large; you have not any shops you can really call shops?

Admiral PARKS. No. I think that very much more should be done toward providing shops before you can consider transferring from Olongapo to Cavite.

Mr. KELLEY. The ships we have out there are all coal burners, built away back?

Admiral PARKS. The destroyers are not.

Mr. KELLEY. You have only three or four destroyers there?

Admiral PARKS. I am not sure how many we have in the way of destroyers.

Mr. KELLEY. You have eight destroyers in all in the Orient, in the Asiatic waters, I guess those are coal burners; you have the oldest ones?

Admiral PARKS. Nos. 142, 143, 144, and 145, they are rather old.

Mr. KELLEY. They burn coal, and really this \$25,000 tank that we put up last year is ample?

Admiral PARKS. No. That is only a gasoline tank.

Mr. KELLEY. That is the reason they do not need any oil tank at all, they are all coal burners?

Admiral PARKS. I do not think that is really a proper deduction I think they do need the fuel tanks.

Mr. KELLEY. Are you sure that the tank we built last year is a gasoline tank?

Admiral PARKS. That is what I authorized.

Mr. KELLEY. You do not know whether that is what it is used for?

Admiral PARKS. I have not been there to see, but I feel sure it is.

Mr. KELLEY. Why use so much gasoline, for the launches?

Admiral PARKS. It is desirable to get the gasoline in bulk.

Mr. KELLEY. For the launches?

Admiral PARKS. In order to get a reasonable price per gallon.

Mr. KELLEY. That is for the civil administration out there, I suppose?

Admiral PARKS. Not necessarily. I do not see where the civil administration comes in on that.

Mr. KELLEY. The Navy might require a station which the Government could use, I suppose, on the civil side?

Admiral PARKS. They may.

NAVAL STATION, OLONGAPO, PHILIPPINE ISLANDS.

Mr. KELLEY. The next item is, "Naval station, Olongapo, Philippine Islands: Improvement to power plant, \$20,000." We better not improve that plant this year.

Admiral PARKS. I think we better.

Mr. KELLEY. What is the matter with it now?

Admiral PARKS. It is old and worn out. A little while ago the commanding officer of the Pacific sent in word that if he did not get money to repair it he was going to order it closed.

Mr. KELLEY. That might be a good way out of it?

Admiral PARKS. I thought that I would let him close it if necessary until Congress had a chance to pass this bill.

Mr. KELLEY. There is a hospital there, is there?

Admiral PARKS. Yes, sir. I should like to see the \$20,000 appropriated.

Mr. KELLEY. Have we built that hospital?

Admiral PARKS. I do not think we have yet.

Mr. KELLEY. The hospital there is only on paper?

Admiral PARKS. There seems to be a kind of a little mixture. We have to sell a ship and have to put up the hospital out of the sale of the ship. There seems to be a kind of round robin proposition.

Mr. BYRNES. Was the ship ever sold?

Admiral PARKS. I think the ship has not been sold.

Mr. BYRNES. It has not?

Admiral PARKS. I do not think so.

Mr. BYRNES. Why did they not sell the ship?

Admiral PARKS. Because he has to do something else.

Mr. BYRNES. "The proceeds from the sale of the United States steamship *Repose* shall be made available." I should judge that the department would construe that as a direction to them to sell.

Admiral PARKS. There is a certain individual who is going to put up that hospital from the proceeds of the sale of the ship.

Mr. BYRNES. Am I correct in believing that it was authorized by this language which appears on page 55? It says nothing about the sale to any individual.

Admiral PARKS. I believe the whole proposition is dependent upon selling the ship and putting up a hospital.

Mr. KELLEY. It has not been consummated?

Admiral PARKS. No, sir.

Mr. KELLEY. There is a debate going on all the while whether this place should not be abandoned.

Admiral PARKS. Yes, sir.

Mr. KELLEY. And you want to put up a permanent heating plant?

Admiral PARKS. No; I want to repair the engines and boilers

Mr. KELLEY. You have a repair fund out of which you can repair the boilers?

Admiral PARKS. It is not large enough.

Mr. BYRNES. What have you there now, if you have not the hospital?

Admiral PARKS. The dry dock *Dewey* and a lot of shops. It is a pretty good sized station at Olongapo. The only objection I see is that of military vulnerability.

Mr. KELLEY. You have been pretty generous with Olongapo. Here is "repair and preservation," \$219,900, and under "maintenance," Olongapo, \$53,200. There is a total of \$273,100?

Admiral PARKS. There is practically only one there in which we are doing any work.

Mr. KELLEY. Any little improvement you want to make at the power plant you can get out of this fund?

Admiral PARKS. I think we have 2,134 men working on that station.

Mr. KELLEY. That is too many.

NAVAL PROVING GROUND, INDIANHEAD, MD.

The next item is "Naval proving ground, Indianhead, Md., box sheds, \$9,000."

Mr. AYRES. What is a box shed?

Admiral PARKS. A shed for boxes, ammunition boxes.

Mr. KELLEY. Are these repairs to the sheds?

Admiral PARKS. No; new sheds.

Mr. KELLEY. How many box sheds would that amount build?

Admiral PARKS. Two sheds, 32 by 112, of galvanized iron, with a capacity of 9,000 boxes.

Mr. KELLEY. This Indianhead plant is running at its minimum capacity, is it not?

Admiral PARKS. Well, not exactly. I think they have increased their capacity to reduce the cost.

Mr. KELLEY. We do not need any more powder; we have more powder than we know what to do with?

Admiral PARKS. They have enough of certain kinds, but probably—

Mr. KELLEY (interposing). They went all through the war and ran the plant at maximum capacity, and now the plant has dropped down to minimum capacity. What is the use of putting up any more buildings there?

Admiral PARKS. Admiral McVay will tell you that he has certain powders, but they are not available for certain purposes.

Mr. KELLEY. A particular kind of powder that he makes there?

Admiral PARKS. Yes, sir; he is making it now.

Mr. KELLEY. There are plenty of sheds in which to make that little powder?

Admiral PARKS. I think they might have them.

Mr. KELLEY. All of these items for the Indianhead plant should come out, in view of the fact that the plant is running at minimum capacity and could be shut down if it were not for the fact that they would lose the established organization and possibly the knowledge of carrying on the business?

Admiral PARKS. I think the admiral will feel that we have been a little severe in taking them all out.

Mr. KELLEY. Is there anything in this estimate for the lower proving ground?

Admiral PARKS. I can not tell you. The Bureau of Ordnance is operating the lower proving ground as a part of Indianhead.

Mr. KELLEY. What is a surveillance magazine?

Admiral PARKS. That is one in which the test specimens of powder are kept for observation. It is generally a double-walled building with a corridor between the two walls, the inner wall more or less glass with shelves on the inside of that glass as a means for keeping the temperature of the inner compartment constant during the observation of powder to see whether it is breaking down or not.

Mr. KELLEY. Oil and paint shed, \$4,000?

Admiral PARKS. That can go out.

NAVAL AMMUNITION DEPOT, FORT MIFFLIN, PA.

Mr. KELLEY. Naval ammunition depot, Fort Mifflin, Pa. Extension to street lighting, \$20,000? What is the reason for extending the street lighting at Fort Mifflin, Pa., after the war is over?

Admiral PARKS. We are putting up a T. N. T. plant there, and this is for lighting the extension of the roads that have been built.

Mr. BYRNES. Have we not a terrible lot of T. N. T. on hand?

Admiral PARKS. This is not for the manufacture, but for the assembling.

Mr. BYRNES. Storage?

Admiral PARKS. Yes, sir.

Mr. KELLEY. The shells are filled there?

Admiral PARKS. That will be done when necessary. It has not been in operation during the war period, but completed since.

Mr. KELLEY. \$20,000 is quite an extension for electric lighting?

Admiral PARKS. Yes, sir; quite a large amount.

Mr. KELLEY. How much can you do with that amount?

Admiral PARKS. Add nearly 100 lights.

Mr. KELLEY. What is the necessity of adding 100 lights after the war is over, when they got along during the war without them?

Admiral PARKS. Perhaps we might have better put up some more during the war.

Mr. KELLEY. Did you lose any powder or have any accident or damage of any kind?

Admiral PARKS. I think they have been particularly free from accidents there.

Mr. BYRNES. Do you not think that you better not put in the additional lights there when they have been getting along so fine without them?

Admiral PARKS. I think possibly we can get along all right this year.

Mr. KELLEY. For a quilting house you are asking \$8,000. How about that, can you not use some building already erected for this purpose?

Admiral PARKS. That is something absolutely necessary for the preparation of loading black powder ignition.

Mr. KELLEY. How do they do it now?

Admiral PARKS. The commanding officer up there says that there is absolutely no building in which it can be done properly at the present time.

Mr. BYRNES. What do they do with it, Admiral?

Admiral PARKS. He has no building in which this can be done at the present time.

Mr. BYRNES. What can be done?

Admiral PARKS. The work in connection with the preparation of black powder ignition for their shell work.

Mr. BYRNES. Why call it a quilting house?

Admiral PARKS. I have never been able yet to find out why they call it a quilting house; possibly because it is fabric work.

Mr. BYRNES. How necessary is it, what does he say as to the necessity?

Admiral PARKS. He says it is absolutely necessary, as there is no building there available.

Mr. KELLEY. Have you a quilting house in all the other ammunition posts?

Admiral PARKS. We have been a long time getting one at Kuahua.

Mr. KELLEY. Then you have but one?

Admiral PARKS. We have not got that yet.

Mr. BYRNES. Is it essential?

Admiral PARKS. Where a large amount of work is being done. I think we should have one before the next war. That requires a tremendous amount of work to be done quickly.

Mr. KELLEY. Let me ask you Admiral, how long have you been in the Navy?

Admiral PARKS. About 23 years.

NAVAL AMMUNITION DEPOT, PUGET SOUND, WASH.

Mr. KELLEY. The next is, Naval ammunition depot, Puget Sound, Wash. We made an appropriation of \$25,000 last year and you want to extend building No. 7 150 feet, at a cost of \$28,000 more. That is near the Bremerton Yard?

Admiral PARKS. Yes, sir.

Mr. KELLEY. It is the ammunition depot for the yard?

Admiral PARKS. It is 3 or 4 miles away from the yard.

Mr. KELLEY. I suppose if a larger number of craft are based at the Bremerton yard than has been there heretofore, the storage of ammunition at that point should be increased?

Admiral PARKS. It should be increased.

Mr. KELLEY. How large a building is this building No. 7?

Admiral PARKS. Building No. 7 is 100 by 50 feet.

Mr. KELLEY. This addition will more than double the area.

Admiral PARKS. Quite a lot more. It is 150 feet onto a 100-foot building.

Mr. KELLEY. It is an addition of 150 feet on the building.

Admiral PARKS. Yes, sir.

Mr. KELLEY. Is it to be of the same width?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That should increase its capacity by 150 per cent?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Have you spent that \$25,000 that was appropriated last year?

Admiral PARKS. I have a contract for it, together with four or five other buildings. I am pretty sure that is finished. I think it was nearly finished when I was there in November.

Mr. KELLEY. You do not mean four or five other buildings at this place?

Admiral PARKS. No, sir; at Keyport.

Mr. KELLEY. Just where is this ammunition depot? I do not want to know exactly, but I would like to know its location within some reasonable distance of the Navy yard.

Admiral PARKS. If you go up above Bremerton, it is located to the west, up that little bay. It is near the head of that little bay.

Mr. KELLEY. Of course, it must be an out of the way place?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Do we not have a lot of land around there, with a lot of guards watching it?

Admiral PARKS. Yes, sir; but the guard force is not so large there.

Mr. KELLEY. There are 255 acres, are there not?

Admiral PARKS. About that.

Mr. KELLEY. About how many men will be there probably?

Admiral PARKS. Fifty-nine men.

Mr. KELLEY. Working 8 hours per day, there would be about 16 on at a time.

Admiral PARKS. No, sir; those 59 men represent the unclassified force and there are 4 classified employees.

Mr. KELLEY. Do they work in 8-hour shifts?

Admiral PARKS. No, sir; they are not working in shifts.

Mr. KELLEY. Do not some of them stay there at night?

Admiral PARKS. They are not in shifts.

Mr. KELLEY. I suppose this is all right.

Admiral PARKS. Yes, sir; all of those things on the coast are necessary. The only one I am in doubt about is at Guam.

NAVAL AMMUNITION DEPOT, MARE ISLAND, CALIF.

Mr. KELLEY. The next item is, "Naval ammunition depot, Mare Island, Calif. Magazine and shell house, \$140,000."

Admiral PARKS. The same thing applies there that applies to Puget Sound. It is on account of the increased fleet.

Mr. KELLEY. What does the fleet do out there now for its ammunition?

Admiral PARKS. They use the magazine at Mare Island and at Puget Sound.

Mr. KELLEY. I suppose, of course, that there is a shortage of magazine space?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Is it necessary to pay as much as \$140,000 for that purpose at Mare Island?

Admiral PARKS. Yes, sir.

Mr. KELLEY. These are of cheap construction, are they not?

Admiral PARKS. It is not very expensive.

Mr. KELLEY. They consist of wooden buildings, do they not?

Admiral PARKS. No, sir.

Mr. KELLEY. What are they?

Admiral PARKS. Either concrete or galvanized corrugated steel.

Mr. KELLEY. I thought they were wooden buildings, so that if you did have an accident there would not be so much loss.

Admiral PARKS. No, sir; they are concrete.

Mr. BYRNES. Why do you construct them of concrete?

Admiral PARKS. I said concrete, but I meant more particularly concrete posts filled in with hollow tile and plastered.

Mr. KELLEY. That is cheap construction, is it not?

Admiral PARKS. Yes, sir; it is cheap compared with some other construction.

Mr. KELLEY. All you need is a dry place.

Admiral PARKS. Yes, sir.

Mr. KELLEY. I noticed that at Fort Mifflin they built these structures originally out of stone, but if one of them did explode, I suppose it would destroy the whole town?

Admiral PARKS. It would cause some trouble.

Mr. KELLEY. Is not this an excessive amount to spend up there at this place?

Admiral PARKS. I do not think so.

Mr. KELLEY. Where is the shell house to be located?

Admiral PARKS. At the southern end of Mare Island. I have a feeling that whatever this joint board reports, and whether it is acted on or not, at this time, the magazine will stay at Mare Island in its present location for the base whether you locate a base on the lower part of the bay or not.

Mr. KELLEY. Are there any temporary buildings on Mare Island put up for other purposes during the war that could be used for storehouses?

Admiral PARKS. Not for this kind of thing. Most of those temporary buildings up there were for personal use, for marine barracks, training barracks, etc.

Mr. KELLEY. And they would not be suitable?

Admiral PARKS. Not at all suitable.

Mr. KELLEY. And they would be located at the wrong place?

Admiral PARKS. Yes, sir.

Mr. KELLEY. This must be placed in an isolated location.

Admiral PARKS. Yes, sir; it will be at the southern end of the island.

Mr. KELLEY. How much storehouse would you put up?

Admiral PARKS. Two hundred and fifty by 50 feet.

Mr. KELLEY. With concrete posts and hollow tile in between?

Admiral PARKS. No, sir.

Mr. KELLEY. A 1-story building?

Admiral PARKS. A 1-story building with steel trusses, and a corrugated roof.

Mr. KELLEY. Is not \$140,000 a large price for a building of that size? Would not \$50,000 be a sufficient sum to cover your magazine and shell house there?

Admiral PARKS. \$100,000 would.

Mr. KELLEY. Would not \$50,000 be sufficient? They have figured on having everything out there.

Admiral PARKS. They have asked for a lot more than this. They asked for \$263,000 worth of other storage that we have not put in here.

Mr. KELLEY. For \$263,000 worth in addition?

Admiral PARKS. Yes, sir; and we put in only \$140,000. I would rather see that \$100,000 than \$50,000.

Mr. KELLEY. If you had \$50,000—

Admiral PARKS (interposing). I think that with the conditions that will probably come on, you might allow \$50,000 for that.

Mr. KELLEY. On account of lower prices?

Admiral PARKS. Yes, sir.

NAVAL AMMUNITION DEPOT, PEARL HARBOR, HAWAII.

Mr. KELLEY. At the naval ammunition depot, at Pearl Harbor, Hawaii, you have an item of \$50,000 for storehouse for ammunition details; an item of \$2,000 for magazine for ignition ends; an item of \$100,000 for torpedo, warhead, and gyro storage, and \$190,000 for mine storage. That is for the additional number of destroyers that are going out there?

Admiral PARKS. That is required for the destroyers and for the mining that is required for the defense plans.

Mr. KELLEY. What sort of construction is required for mine storage?

Admiral PARKS. That is a steel-frame proposition, with runways about 4 feet apart, with grooved supports so that you can stack the mines in the steel frames, two or three mines high in the building. The mines are rolled into those racks.

Mr. KELLEY. How do they figure that they will need \$190,000 for building that storage?

Admiral PARKS. They figure on the quantity of mines that would be required for mining certain areas. We have a large number of mines now.

Mr. KELLEY. Out there?

Admiral PARKS. No, sir; down here at Yorktown we have a great many of them, and it is desirable to distribute them where they might be used to advantage some time.

Mr. KELLEY. Where they might some time be required?

Admiral PARKS. Yes, sir. We gathered in nearly all of the mines we could from that barage.

Mr. KELLEY. Don't you think that in the matter of storage work we had better go along a little more moderately? This amount would provide a tremendous amount of storage and of construction. Why not cut it down, and then add to it from year to year as you find you actually need it, instead of going into a large construction of this kind?

Admiral PARKS. I do not believe it is necessary to do all of it this year.

Mr. KELLEY. Could we not cut it in half?

Admiral PARKS. I think so.

Mr. KELLEY. And the gyro storage could be cut in two?

Admiral PARKS. Yes, sir; that could be cut in two.

Mr. KELLEY. Do you need \$50,000 for the storehouse for ammunition details?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That would leave \$50,000 for the ammunition details; \$2,000 for the ignition ends, \$50,000 for the gyro storage, and \$85,000 for the mine storage?

Admiral PARKS. \$95,000 for the mine storage, if you cut it in half.

NAVAL TORPEDO STATION, KEYPORT, WASH.

Mr. KELLEY. At the naval torpedo station, Keyport, Wash., you have an item of \$70,000 for extension to pier No. 1, and reinforcement of Piers 1 and 2. You would take care of the item for the repair of piers out of your appropriation for repairs, Yards and Docks, would you not?

Admiral PARKS. Not under the ruling that you read the other day. Repairs come out of Ordnance and Ordnance Supplies.

Mr. KELLEY. What piers are there?

Admiral PARKS. There are two of them.

Mr. KELLEY. How long are they?

Admiral PARKS. One of them has a head about 90 feet across, and along the approach it is about 250 feet. The approach is longer than that.

Mr. KELLEY. Where is Keyport, Wash.?

Admiral PARKS. That is north of Bremerton.

Mr. KELLEY. How far?

Admiral PARKS. Twenty-five or thirty miles. Between 25 and 30 miles.

Mr. KELLEY. What is the advantage in having this stuff scattered all around there?

Admiral PARKS. That is torpedo storage.

Mr. KELLEY. I know, but you could have your torpedo storage and other ammunition storage in the same building, could you not?

Admiral PARKS. We have at Tutuila.

Mr. KELLEY. This means additional watchmen, does it not?

Admiral PARKS. Yes, sir.

Mr. KELLEY. The other would not be where you could get it with ships?

Admiral PARKS. This one is particularly good on account of the range for testing out torpedoes.

Mr. KELLEY. Would they be tested up there? They are provided on this coast, and they would be tested where they were made, would they not?

Admiral PARKS. They test them there at Keyport. They overhaul them and test them.

Mr. KELLEY. They test them where they make them and then test them again out there?

Admiral PARKS. Where they are overhauled they are tested. They have a shop at Keyport. I think these piers could be left out this time.

Mr. BYRNES. That item amounts to \$70,000?

Admiral PARKS. Yes, sir.

Mr. KELLEY. They will be all right for another year?

Admiral PARKS. I think so. When I was out there in November it did not look to me as though it was absolutely necessary to increase the outfit at the Keyport station very much at this time.

Mr. KELLEY. You thought that the plant was large enough to accommodate the activities there without additional facilities.

Admiral PARKS. It looked pretty near so. The torpedo storage house was built when a shorter torpedo was in use, and the racks that are built at right angles to the walls will not accommodate the longer torpedoes and give the necessary handling space between two rows of racks in the same building. It will be desirable to provide a wider building for handling the storage of the longer torpedoes.

Mr. KELLEY. But for the present, this item can be omitted?

Admiral PARKS. I think it can stand until another year. That is based upon the understanding that we must force the bill this year to a low point.

Mr. KELLEY. The torpedo storage and the piers items come out?

Admiral PARKS. Yes, sir.

Mr. KELLEY. I suppose the general storehouse comes out also?

Admiral PARKS. I think so.

Mr. KELLEY. What does that leave in there?

Admiral PARKS. It does not leave anything there.

Mr. KELLEY. The oil storage goes out also? Your judgment is that the facilities there are ample?

Admiral PARKS. We can make out with them for another year.

NAVAL TRAINING STATION, GREAT LAKES, ILL.

Mr. KELLEY. We do not do anything at the Great Lakes?

Admiral PARKS. We can take the Great Lakes out.

Mr. KELLEY. We bought quite a lot of land for the Navy at this point, or at the Great Lakes. What steps is the Government taking now to settle up with the people whose land we condemned or obtained in one way or another? Make your statement as short as you can, and yet give us the facts about it.

Admiral PARKS. The land is divided generally into that east of the Northwestern Railroad tracks and that west of the Northwestern Railroad tracks. The part on the east side is considered desirable to retain.

Mr. KELLEY. That was connected with the training school?

Admiral PARKS. Yes, sir; we have title to it under commandeering proceedings.

Mr. KELLEY. Have you paid for it?

Admiral PARKS. We have paid for part of it.

Mr. KELLEY. We paid 75 per cent, probably, which the law requires should be paid, leaving the balance for adjudication, if there is any dispute?

Admiral PARKS. I think we had paid about one-half, perhaps, up to the 1st of December, for the land on the east side.

Mr. KELLEY. Do we intend to use that part of the site there?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That will make how much land in the training school grounds? It would be something over 500 acres, would it not, or between 500 and 600 acres?

Admiral PARKS. It is 440 acres, I think, on that side, plus the hospital ground.

Mr. KELLEY. You can put a statement of that in the record.

Admiral PARKS. I will do so.

(The statement referred to above follows:)

AREA AND COST OF LAND OCCUPIED BY NAVAL TRAINING STATION, GREAT LAKES, ILL.

The total area is 1,132.479 acres and the total cost is \$1,198,401, as shown by the subjoined table:

Training station, Great Lakes, Ill.

	Area.	Cost.
1. Original station.....	<i>Acres.</i>	
2. Byrne tract (purchased May, 1919).....	167,000	Donated.
3. Commandeered, 1918, and settled for.....	80,098	\$178,196
	377,098	432,470
Subtotal.....	633,137	610,666
4. Commandeered, 1918, but not yet settled for.....	499,342	587,735
Total.....	1,132,479	1,198,401

The figures "\$587,735" shown for subdivision 4 above includes \$69,910 as interest at the rate of 6 per cent per annum from November 4, 1918, the date on which the commander was effective, and is included because of the delay in settling with the owners.

If it be desired to know the area and cost of the property east of the Chicago & North Western Railway tracks, this may be found by subtracting from the total

of subdivisions 1, 2, and 3 above, 139.724 acres and \$98,450, being the area and purchase cost for the two parcels included in the commandeered of 1918, but lying west of the Chicago & North Western tracks; the resulting area east of the tracks is 493.413 acres, costing \$511,716.

Mr. KELLEY. What is the situation on the west side as to the settlements?

Admiral PARKS. We have not money enough to pay for all the land.

Mr. KELLEY. Out of what appropriation did you get money to pay for any of it?

Admiral PARKS. Under the act of July 1, 1918, \$887,500 was appropriated.

Mr. KELLEY. For this particular purpose?

Admiral PARKS. Yes, sir; for the acquirement of land under the act of February 25, 1919, \$400,000 was returned.

Mr. KELLEY. That left \$400,000 for use.

Admiral PARKS. Leaving \$487,500 to be used. At that time it was believed that the Government would not be required to pay for the land that had been commandeered on the west side of the tracks that it did not need.

Mr. KELLEY. That is, you thought that the owners, or the former owners, would be willing to take the land back?

Admiral PARKS. On a rental or damage basis; yes, sir.

Mr. KELLEY. What have you found the facts to be?

Admiral PARKS. We found the facts to be that almost all of them have preferred to sell their land to the Government. Then our board on valuations considered the value of the property on the western side of the track, consisting of some 499 acres, and they found a value of \$517,825. One piece of property involved \$170,000. The matter was held in abeyance toward making payments or securing money to make payments until certain Members of Congress could visit the Great Lakes. In September, I think, the chairman of the House Committee on Naval Affairs made a visit, and when the joint committee to consider the Pacific coast projects made its trip in November, it was intended that the members should visit the Great Lakes just before they left for the coast, but it was very close to election, and Mr. Britten was the only one who did go up to the Lakes at that time. He looked into the matter of this land, and suggested that the commandant be given authority to consult with the former owners of this land and find out whether they would be willing to settle on a damage basis and for how much. When that party returned from the Pacific coast several members of the party went up to the Great Lakes and looked into this thing, and it was found then that the commandant had secured from the owners generally a statement that they would be willing to take the price of the award made last year, plus 6 per cent interest.

Mr. BYRNES. That is, for their property?

Admiral PARKS. Yes, sir.

Mr. BYRNES. And not for damages?

Admiral PARKS. No, sir. They did not seem inclined to take it up on the rental or damage basis. It looks now very much as though we would have to request the return of that \$400,000 that we gave up.

Mr. BYRNES. The total amount of that award was over \$500,000, was it not?

Admiral PARKS. \$517,825. We originally had \$887,500.

Mr. BYRNES. How much have you left available in this fund?

Admiral PARKS. We have practically nothing left.

Mr. BYRNES. You have paid it out to other owners?

Zdmiral PARKS. Yes, sir; on the eastern side of the tracks.

Mr. BYRNES. You have no money at all?

Admiral PARKS. We have practically no money for the land on the western side.

Mr. KELLEY. There is no legislation necessary in this case except to make a deficiency appropriation?

Admiral PARKS. Not under these conditions; but legislation would have been necessary if the owners had been willing to take their property back on a rental or damage basis.

Mr. KELLEY. That is to say, the department would not have the authority to sell the land without legislation by Congress?

Admiral PARKS. No, sir; the title had passed to the United States by our taking possession, and legislation would be necessary to divest the United States of the title.

Mr. KELLEY. Is there some feeling out there among the owners that the Government has been slow or derelict in making the settlement?

Admiral PARKS. I do not know that there is any feeling that Congress has been slow about it, but I think there may be some reason for their thinking that the department has been.

Mr. KELLEY. When did we take over this land?

Admiral PARKS. From time to time, in 1917 and 1918.

Mr. KELLEY. Two or three years ago?

Admiral PARKS. Yes, sir.

Mr. BYRNES. Did they cause the people to move off the land?

Admiral PARKS. Sometimes..

Mr. KELLEY. It is up to the department to submit an estimate for a deficiency.

Admiral PARKS. Yes, sir; I think the matter is in such shape that an estimate can be submitted for the next deficiency bill that comes up.

DEPOTS FOR COAL.

Mr. KELLEY. Your next item is depots for coal.

Admiral PARKS. We submitted that estimate of \$1,000,000 for Puget Sound last year.

Mr. KELLEY. The appropriation last year was \$85,000, and you are estimating \$1,836,000 for this year.

Admiral PARKS. Of course, Puget Sound is one of the permanent bases for the Pacific Fleet, and it is considered the proper one at which to place a large fuel and oil storage.

Mr. KELLEY. Let us go into the history of this a little bit and see what we have been doing: From 1915 to 1918 we have spent \$310,000 at San Diego, Calif.; \$545,000 at Puget Sound; \$450,000 at Mare Island; \$320,000 at Pearl Harbor; and by act of June 15, 1917, we gave a lump-sum appropriation of \$150,000, and under the act of 1919 a lump sum of \$460,000 for Guantanamo, Pearl Harbor, and Guam, and by the act of November 4, 1918, we appropriated a further lump sum of \$322,500.

Mr. BYRNES. What is that for?

Mr. KELLEY. To be used in the department's discretion for coal.

Mr. BYRNES. At those particular stations?

Mr. KELLEY. It was a lump sum to be used at the discretion of the department. This makes a total of how much?

Mr. BYRNES. It foots up \$3,907,500.

Mr. KELLEY. That makes a total of \$3,907,500 for coal. That has been mostly spent on the Pacific, has it not?

Admiral PARKS. About half of it, I would say, was spent on the Atlantic.

Mr. KELLEY. Where?

Admiral PARKS. At Yorktown and Guantanamo. The estimates prepared for the fuel-oil storage that the Bureau of Supplies and Accounts considers necessary to meet the plans of operations amounts to \$19,000,000.

Mr. KELLEY. Without going into that too far, is it not a fact that all the storage, including the private storage, out there in the neighborhood of San Francisco is available in case we need it, without going into the construction of storage for large quantities of oil? In case of war, we could take anything out there, and there are great quantities of storage, are there not?

Admiral PARKS. We could, and the war powers have been exercised during this last year on oil, but they may be removed shortly.

Mr. KELLEY. Yes; but in time of peace possibly that would not be necessary or advisable. This accumulation of oil storage is undoubtedly for war needs.

Admiral PARKS. It is to have a sufficient quantity to take care of the fleet.

Mr. KELLEY. That being the case, we could always commandeer the storage of private corporations, and, therefore, what is the need for duplicating that storage?

Admiral PARKS. I think that applies to San Francisco Bay pretty fairly well, but not so well to Puget Sound.

Mr. KELLEY. You have tankers?

Admiral PARKS. There has been a great deal of trouble in getting sufficient tankers recently to handle the fuel oil required for the Shipping Board and the Navy.

Mr. KELLEY. Yes; but the Shipping Board has leased several of its tankers to private parties. Tankers that they should keep for themselves and for the Navy they have leased to private corporations for a song. The Shipping Board and the Navy together have plenty of oil tankers for the needs of both, haven't they?

Admiral PARKS. Well, of course the Navy has thought that the Shipping Board should provide more tankage capacity for the Navy, and they have made every effort to get it.

Mr. KELLEY. They have leased tankers in which to haul molasses, have they not?

Admiral PARKS. I am not sure. I had not heard that.

Mr. KELLEY. They have plenty of tankers. What is the use of building a big storage depot at Bremerton for oil?

Admiral PARKS. We have a feeling that there should be a pretty good supply at Bremerton.

Mr. KELLEY. Why? You will never have Bremerton cut off from the fleet, will you?

Admiral PARKS. I am not sure that we are not going to.

Mr. KELLEY. Do you think we will lose Bremerton some time?

Admiral PARKS. I think it might be tied up.

Mr. KELLEY. If so, we had better not leave any oil there.

Admiral PARKS. That is a military question.

Mr. KELLEY. You would not want any oil left there for other people to use?

Admiral PARKS. I do not mean to say that Bremerton is liable to fall to anybody else, but it might be tied up.

Mr. KELLEY. You do not recommend putting in a million dollar plant at Bremerton?

Admiral PARKS. I think if you could give one-fourth of it this year we would be able to put in about all the steel tankage we should put there now.

Mr. KELLEY. Do you not think that we have treated Bremerton liberally, or will we not have done so if we give what we have partially indicated that we would give? We do not want that land torn up so that you can not do anything up there for a year. You have got those two piers up there and the sea wall for the accommodation of ships.

Admiral PARKS. There will be no water front on that wall.

Mr. KELLEY. But it will be a base against which other piers will be built.

Admiral PARKS. Yes, sir.

Mr. KELLEY. What is the use in trying to do everything at once? The Government is like a family, and some things must be put off. There is no immediate danger that the ships based on Bremerton can not get plenty of oil.

Admiral PARKS. We put this over last year.

Mr. KELLEY. Suppose we put it over again this year. What do you say to putting over all these oil storage projects? All of these big oil-burning ships will not be ready for a long time yet. There are 26 big oil burners building, but it will be four or five years before we get them in the fleet. By that time the country will be breathing a little more easily, I hope.

Admiral PARKS. I think that they are issuing about one-third of their total storage capacity of oil per month now.

Mr. KELLEY. They do not need to have so much storage if they will use tankers. They should put more tankers afloat. They have been leased mostly to private people, but if private people want tankers, let them build them until we have enough for the Navy and the merchant ships. We ought to be able to take care of everything in that way, without building all these things. There is plenty of storage for oil in the hands of private people at San Francisco.

Admiral PARKS. There is plenty of private storage there, without doubt.

Mr. KELLEY. In an emergency, we could take that private storage. The protection for the Bremerton Yard, perhaps, should be developed considerably more before we put in great quantities of oil there. Suppose you cut out all of this storage this year.

Admiral PARKS. I would rather see some up there at Bremerton.

Mr. KELLEY. There is no special reason for that. California is a great oil center, and San Francisco is the great oil storage center of the country. You are better off on that coast than you are on this coast, are you not?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That being the case, with the large private storage there carrying more oil than you have in any other part of the country, you will not be in any danger on that coast.

Admiral PARKS. I do not think we are doing quite so well on that coast.

Mr. KELLEY. We could take everything there in an emergency, and there would be plenty.

Admiral PARKS. In time of emergency; yes, sir.

Mr. KELLEY. And in time of peace you could get oil from tankers and supply the ships without much trouble?

Admiral PARKS. There was a tendency to put the price of oil up when they found that our vessels on the coast needed it.

Mr. KELLEY. That ought to be reached through some other governmental agency.

Admiral PARKS. We exercised war powers and secured it at a reasonable price.

Mr. KELLEY. Is there any reason that you know of why we should spend all this?

Admiral PARKS. No, sir; except for the necessity of having a supply in storage.

Mr. BYRNES. That would apply to the Portsmouth item, too?

Mr. KELLEY. That applies with equal force on both coasts, although the situation on the Pacific coast might be a little more favorable.

Admiral PARKS. I think it is a little more favorable on the Pacific coast, so far as San Francisco Bay is concerned.

Mr. KELLEY. With plenty of tankers, the thing is solved.

Admiral PARKS. If those tankers are available for our use.

Mr. KELLEY. The Government owns plenty of tankers, and a lot more are being built right now, and will be ready in a short time. When you cancel the leases and finish the ships now under construction, and apportion them to the Shipping Board and the Navy, you will have plenty of tankers. Under those circumstances, we could very well let the storage go for the present.

Admiral PARKS. For a year.

NAVAL OPERATING BASE, HAMPTON ROADS, VA.

Mr. KELLEY. The next item is, "Naval operating base, Hampton Roads." The appropriation for the present fiscal year is \$171,000 and you are asking \$145,000. Is this some more of Admiral Stanford's work?

Admiral PARKS. Yes; he sent in these estimates.

Mr. KELLEY. If we could send Capt. Stanford around to each of these places it would be the greatest investment we could make?

Admiral PARKS. I think he did pretty well down at Hampton Roads.

RESTORATION OF BUILDING NO. 24.

Mr. KELLEY. "Restoration of building numbered 24, \$70,000." You think this building needs to be restored?

Admiral PARKS. I think at some time we better do it.

Mr. KELLEY. But not this year?

Admiral PARKS. If you decline to give it to me, of course it will have to go over until next year. It has gone over two or three years

Mr. KELLEY. What is the necessity of restoring it?

Admiral PARKS. So they can make use of it.

Mr. KELLEY. They can make use of anything. What is the necessity of this?

Admiral PARKS. This is an old historic building in a part of the group that we decided to retain of the old exposition buildings.

Mr. KELLEY. They are using it?

Admiral PARKS. Yes, sir.

Mr. KELLEY. You want to make a fine modern structure?

Admiral PARKS. We would like to make it look decent; it looks like a wreck now.

Mr. KELLEY. What do they use it for?

Admiral PARKS. We have had some of the officers of the training station in there. I think very likely they use it for a receiving shop now. They have a very elaborate plan.

Mr. BYRNES. Let us pass it over, if they have an elaborate plan.

Mr. KELLEY. It is a historic building which they want to put in shape as a sort of monument on the ground?

Admiral PARKS. It is the center group. They spent a lot of money on the others.

COMPLETION OF LAGOON BULKHEAD.

Mr. KELLEY. Some time when we are well off we will consider it. Completion of lagoon bulkhead, \$55,000.

Admiral PARKS. We ought to put that in.

Mr. KELLEY. What is the nature of that?

Admiral PARKS. One of the elements in the architectural beauty was a large lagoon with a bridge across the outer end of it. We make use of that lagoon as a landing place for boats and hydroplanes. The construction used by those people was intended to be for the exposition period, and it is necessary to put a concrete bulkhead across the lagoon at a cost of about \$55,000.

Mr. KELLEY. You are using the lagoon now?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Suppose we did not do that this year, what then?

Admiral PARKS. We will try to get along another year if we do not do it this year. We ought to have done it before.

Mr. KELLEY. The basin is usable?

Admiral PARKS. Most of the basin is usable. This part [indicating] at the end is falling in. It needs sheet piling across there [indicating] to hold it in place. The lagoon is this opening in here [indicating]. There were two long piers from the shore with a Venetian bridge of stone across the ends of those piers. Now we have filled out to this line [indicating], so that the piers are not projected piers any more, but wharves and we need to put a bulkhead, a wall across this end of the water [indicating]. Here is the land back here [indicating].

Mr. KELLEY. This is the water in here [indicating]?

Admiral PARKS. Yes, sir.

Mr. BYRNES. Is damage being done right along?

Admiral PARKS. The earth is washing out from the roadway here [indicating].

Mr. KELLEY. This is the roadway along here [indicating] and the dirt falls into that lagoon?

Admiral PARKS. Yes, sir.

Mr. KELLEY. But does not interfere with the operations on the lagoon?

Admiral PARKS. Not with the work on the outside.

Mr. KELLEY. The lagoon is only used for small craft, yachts, and other craft?

Admiral PARKS. There are other craft in the navy yard.

Mr. KELLEY. It is not of any military value?

Admiral PARKS. It is used for the power boats and speed boats and things of that kind.

Mr. KELLEY. You want to put \$55,000 into one of those things this year?

Admiral PARKS. That is the estimate of what it will cost.

Mr. BYRNES. It will cost \$55,000?

Admiral PARKS. Yes, sir; the concrete sheet piling and the retaining wall on top of that.

Mr. KELLEY. You do not think you better let the bank slide in here and seed that over?

Admiral PARKS. No; I do not think that we will seed it over.

Mr. KELLEY. You could prevent the washing for \$5,000 and save \$50,000?

Admiral PARKS. I do not think so. I think when we can we better fix up the lagoon.

Mr. KELLEY. Is it very noticeable?

Admiral PARKS. It is rather noticeable.

Mr. KELLEY. Not very noticeable?

Admiral PARKS. When your attention was called to it you would notice it.

Mr. KELLEY. In a difficult time like this, when business institutions all over the United States are shutting down and men are out of work and the income tax is falling off——

Admiral PARKS (interposing). Not the tax falling off, the returns.

Mr. KELLEY. The tax, too.

Admiral PARKS. Is it?

Mr. KELLEY. Not the amount of money needed, but the amount received. Do you not think that it would be more or less of an extravagance to put \$55,000 across the end of the little lagoon down there?

Admiral PARKS. I think the way you put it, that we could wait another year.

MOTOR GENERATOR SET.

Mr. KELLEY As to the motor generator set, they need that undoubtedly at this place?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That is a generator for the submarines?

Admiral PARKS. Yes, sir.

Mr. KELLEY. That leaves \$20,000 for the naval base at Hampton Roads.

NAVAL HOSPITAL NORFOLK VA.

Mr. KELLEY. Naval hospital, Norfolk, Va., there is nothing there?

Admiral PARKS. No, sir.

NAVAL HOSPITAL PHILADELPHIA, PA.

Mr. KELLEY. Naval hospital, Philadelphia, Pa., there is nothing there?

Admiral PARKS. No, sir.

MARINE BARRACKS, SAN DIEGO, CALIF.

Mr. KELLEY. "Marine Barracks, San Diego, Calif.: Toward the further development of the Marine Corps base, including the purchase of land not to exceed \$17,500"—that, we can not do, Admiral.

Admiral PARKS. I have secured some information for the other committee.

Mr. KELLEY. You are asking for \$500,000. Does that finish the buildings?

Admiral PARKS. No; it will require approximately \$3,000,000 more to complete the whole project.

Mr. KELLEY. Do you not think that we better revise those plans in such a way that you could finish with probably \$500,000?

Admiral PARKS. No; I do not think we can.

Mr. KELLEY. How much money has been appropriated?

Admiral PARKS. \$2,600,000.

Mr. KELLEY. And this will make \$3,100,000?

Admiral PARKS. Yes.

Mr. KELLEY. How many marines are you planning to have there?

Admiral PARKS. 1,800, I think it is.

Mr. KELLEY. Is that all?

Admiral PARKS. I think it is in the buildings, but there is plenty of room for tents, also.

Mr. KELLEY. Do you mean that it will take \$5,000,000 altogether for the 1,800 boys?

Admiral PARKS. That is for the advance base, the storehouses, the piers, the dredging, and all that kind of thing.

Mr. BYRNES. What makes it necessary to spend so much money there; what do you propose to do?

Admiral PARKS. A very artistic design has been secured for these buildings suitable to the locality.

Mr. KELLEY. A Spanish design?

Admiral PARKS. A mission type.

Mr. KELLEY. I noticed in San Diego that everything nearly is built like Spanish architecture. I suppose this is to be carried along after that pattern. It does not mean that they have to be very expensive buildings?

Admiral PARKS. I consider that rather expensive. The buildings are now located. I do not think it is necessary to carry out that plan for all other buildings that are put up. I think we must carry it out by two more buildings; that is, one on the side and one across the end to complete the court scheme. I do not think that the rest of the buildings need to be on that plan at all. I am very likely a little short of knowledge on the fine points of mission architecture, but I can not see the necessity for spending money in making a thing look as though it were done by an amateur. That is what costs money, in trying to have the mechanics do the so-called mission work in masonry.

Mr. FRENCH. Why not have the amateurs do it, it could be done cheaper?

Admiral PARKS. It would be a lot cheaper, but the union would not let you. The way I look at it is that the missionaries in southern California had to train the Indians to do some work for them, and they tried to copy the Spanish architectures as well as they could with the rather incompetent force that they had available, but after they had lived around there a few generations they did not repeat that; they copied the Spanish architecture more nearly than they had been able to do before.

Mr. KELLEY. You are certainly right in the idea that the Government should not have to indulge in the most expensive buildings. If you can complete this program of buildings there certainly you should devise the most economical building in keeping with what has been done. There is no way to destroy that, but certainly it is not necessary to continue a program, as you say, that is so expensive.

Admiral PARKS. There are a lot of details about those buildings that we would not put in if we had designed them in the bureau and I think they would have been as good.

Mr. KELLEY. Just as good. You have 1,800 men there?

Admiral PARKS. No; they are not there now.

Mr. KELLEY. There is nobody there yet?

Admiral PARKS. No, sir; but that is the capacity for which we are building.

Mr. KELLEY. I suppose they will have to have the \$500,000 anyhow?

Admiral PARKS. Yes, sir.

Mr. BYRNES. The only thing we can do is to try to keep down that program, so you will not have to come back for the balance of the \$3,000,000.

Admiral PARKS. I think we will modify the plans very materially. There were certain reasons why the plans were adopted, and I do not think those reasons hold any more.

Mr. KELLEY. In carrying forward this work I suppose you finish up a building complete before you start another one?

Admiral PARKS. We have a certain number of buildings built at the same time.

Mr. KELLEY. Will this \$500,000 complete any part of the work there?

Admiral PARKS. Yes, sir.

Mr. KELLEY. So it would be available for use after this is expended?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And you could stop there and would have a unit completed?

Admiral PARKS. Yes, sir. We would not have all the administration buildings and a few things like that. The administration building is rather expensive. That is included in the \$3,000,000.

Mr. KELLEY. But you would have the necessary heating and power outfit?

Admiral PARKS. We would have the power. We do not provide much heat at San Diego.

Mr. KELLEY. No; but lighting?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And everything of that kind?

Admiral PARKS. Yes, sir.

Mr. BYRNES. I certainly think that you ought to take the intimation from the question of the chairman and use \$500,000 to make available the buildings that you have now. You can consult the Fine Arts Commission later as to whether there should be any modification in the architectural beauties of the plan.

Admiral PARKS. I think if we complete the court that is about as far as we need to go in that direction. The elements have already been built for the court, and that should complete the ornamentation.

Mr. KELLEY. If completed according to the original plans, it would require about \$3,000,000 besides what you are asking for this year?

Admiral PARKS. No; about \$2,500,000.

Mr. KELLEY. You have already expended \$2,600,000?

Admiral PARKS. Yes, sir.

Mr. FRENCH. Was this land given to the Government with some understanding that it was to be developed along this line?

Admiral PARKS. I think there was some understanding that Mr. Goodhue should be the architect and that the design should be in accordance with the exposition buildings.

Mr. BYRNES. Did any body know what the expense would be as the result of letting him prepare the plans?

Admiral PARKS. I can point out several things that I should not have put in myself. What was or what was not necessary would be a matter of opinion.

NAVAL BASE, SAN DIEGO, CALIF.

Mr. KELLEY. The next item is "Naval base, San Diego, Cali. Storehouse at foot of Broadway, to complete, \$250,000." That we started last year?

Admiral PARKS. Yes, sir.

Mr. KELLEY. How much was given last year?

Admiral PARKS. \$400,000.

Mr. KELLEY. This would make \$650,000?

Admiral PARKS. Yes, sir.

Mr. KELLEY. What will take care of the needs of that place for storage purposes so far as you have been informed—what use is to be made of the place?

Admiral PARKS. It is only a part of what they consider necessary to complete the storehouse. It would be 200 feet long and 120 feet wide and six stories high.

Mr. KELLEY. The harbor at San Diego is a very fine harbor?

Admiral PARKS. It is.

Mr. KELLEY. In case of need all the ships that we have pretty nearly on the Pacific coast could go in there?

Admiral PARKS. No; probably it would be a little crowded to get in all of the large ships.

Mr. KELLEY. It is 5 miles at the entrance?

Admiral PARKS. Yes, sir; but you can not very well anchor large ships except in a single column; it is rather narrow.

Mr. KELLEY. There is plenty of deep water for the large ships and plenty of moderately deep water in which the smaller ships could be anchored?

Admiral PARKS. It is good for the destroyers and that class of craft.

Mr. KELLEY. It is particularly well protected?

Admiral PARKS. Very well.

Mr. KELLEY. Has the Army extensive fortifications at the gate to this harbor?

Admiral PARKS. It has.

Mr. KELLEY. So it would be an almost impregnable position?

Admiral PARKS. I do not want to say that any place is impregnable.

Mr. KELLEY. I mean using the term relatively?

Admiral PARKS. Relatively; yes, sir.

Mr. KELLEY. There is plenty of room for all the submarines which we have in that locality?

Admiral PARKS. All the submarines and destroyers.

Mr. KELLEY. Has the storehouse which you are erecting progressed toward completion well?

Admiral PARKS. No. I want this \$250,000 before I award the contract.

Mr. KELLEY. You have not used the \$400,000 that we gave you this year?

Admiral PARKS. No; I found conditions unfavorable to awarding that contract.

Mr. BYRNES. With \$400,000 you can build a much better storehouse after July 1, can you not, than you could have built last year?

Admiral PARKS. I think so.

Mr. BYRNES. Of course, it is equivalent to increasing it one-fourth?

Admiral PARKS. I hope so, but the price of the bid was \$5.40 a square foot for floor space. I considered that entirely too much. If it had been \$4.50 I would rather have thought it was high enough.

Mr. BYRNES. When did you get that bid?

Admiral PARKS. That was a San Francisco bidder.

Mr. BYRNES. I said when, how long since?

Admiral PARKS. In September.

Mr. KELLEY. You cut your estimate on account of business conditions at Puget Sound. Suppose you had added \$125,000 to the \$400,000 and then, as Mr. Byrnes says, take into account the reduction in material and possibly labor, would not that give you a very fine building?

Admiral PARKS. I have just been going into that. I might do it if I put on a wooden roof—that I do not like to do—and leave out one pair of elevators. I have gone into this thing pretty carefully myself as well as the other people in the office and have endeavored to get it down to a reasonable basis. There is no passenger elevator in the building at all. Instead of using the top floor for offices I am using the sides of the lower floors for the offices. It is an economical proposition to cut out expenses of that kind. If you should take that \$125,000 it would mean a wooden roof, which is not as good as a concrete roof for a storehouse, and it would mean leaving out the refrigeration plant, which is rather important for the provisions of these submarines and destroyers, which have no refrigerating plants of their own.

Mr. BYRNES. After going into it fully, what is your lowest estimate?

Admiral PARKS. \$250,000 is my estimate now.

Mr. KELLEY. Of course, this being a most desirable location for a base and the real place where the destroyers and submarines probably will be based on that lower coast, even if you build a larger one than originally contemplated, it probably would not be too large to meet your needs?

Admiral PARKS. It would not.

SUBMARINE BASE, NEW LONDON, CONN.

Mr. KELLEY. The next item is, "Submarine base, New London, Conn.: Purchase of land, \$40,000." Of course, we can not consider that item. "Continuing various improvements, sidewalks, etc., \$50,000." We can well afford to leave that all out this year, can we not? What do you say, Admiral?

Admiral PARKS. They think that they need more sidewalks.

Mr. KELLEY. This base has had seven or eight million dollars in the last few years?

Admiral PARKS. Quite a lot of money.

Mr. KELLEY. I presume they are getting along very comfortably with the walks?

Admiral PARKS. I have not had a chance to inspect New London this year.

Mr. KELLEY. You do not know much about it, then?

Admiral PARKS. No.

SUBMARINE BASE, COCO SOLO, CANAL ZONE.

Mr. KELLEY. The next item is "Submarine base, Coco Solo, Canal Zone: Grading and drainage, \$44,000." What about that, Admiral?

Admiral PARKS. The mosquito proposition is very bad down there and there was something like a \$500,000 proposition sent up here two years ago for grading and filling, and finally they have gotten to an amount for draining that they think will take care of it for about \$80,000, of which we pay half and the Army pays half.

Mr. KELLEY. Of course, we will need to keep a well-organized submarine base at Coco Solo and we want to take care of the health of the men. This is necessary for the health of the men?

Admiral PARKS. I consider it so.

SUBMARINE BASE, PEARL HARBOR, HAWAII.

Mr. KELLEY. The next item is, "Submarine base, Pearl Harbor, Hawaii: Additional piers, \$100,000."

Admiral PARKS. Both of those items, I consider, should stay in on account of the submarine base at that place.

Mr. KELLEY. The submarine base is over a couple of miles away from the other plant?

Admiral PARKS. A couple of miles from the dry dock. It is a particularly good place for the submarines.

Mr. KELLEY. How many piers would this amount build?

Admiral PARKS. Four.

Mr. KELLEY. How long?

Admiral PARKS. Three of them would be about 300 feet long and one, for the tender, would be a little longer. The pier would be about 300 feet, but one face of it would be extended up by the side of the land, probably about 100 feet more.

Mr. KELLEY. This is for the accommodation of the additional submarines that will undoubtedly be sent to that point?

Admiral PARKS. Yes, sir.

Mr. KELLEY. The next item is, "Battery charging installation, \$100,000"?

Admiral PARKS. That is all on account of the lot of submarines and includes all of the accommodations for the battery charging.

Mr. KELLEY. Is there anything there at all?

Admiral PARKS. I have one motor generator set.

Mr. KELLEY. This is a generator set proposition?

Admiral PARKS. There is a motor generator in it.

Mr. KELLEY. You have not used the \$250,000 appropriated last year for the submarine and destroyer base on the Columbia River?

Admiral PARKS. No, sir. I think the titles will probably be fixed up this month.

Mr. KELLEY. You are not asking anything for that base now?

Admiral PARKS. Not until we get the titles fixed up.

TRAINING STATION, SAN DIEGO, CALIF.

Mr. KELLEY. The next item is, "Training station, San Diego Calif.: Toward the development of a permanent training station, San Diego, Calif."—you had \$1,000,000 and you want another \$1,000,000?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Have you spent the \$1,000,000?

Admiral PARKS. Not yet.

Mr. BYRNES. What plans have you?

Admiral PARKS. I expect to get the plans ready for bidding within the next two weeks, and then I will make a contract.

Mr. KELLEY. You will not need \$2,000,000 next year?

Admiral PARKS. It will be better to have it.

Mr. KELLEY. Why?

Admiral PARKS. We can get in more necessary buildings. The \$1,000,000 will take care of a lot of barrack buildings and some of the others, but the second \$1,000,000 is only to take care of the school buildings and the administration building.

Mr. KELLEY. Do you not think that these plans ought to be revised with a view to providing accommodations for a smaller number than 5,000?

Admiral PARKS. Four thousand five hundred is what we have been considering.

Mr. KELLEY. Do you not think it should be reduced to 3,000? We have so many training facilities. We can accommodate at Chicago, I think, 45,000, if we keep up that plant.

Admiral PARKS. We are keeping it down so that 20,000 is to be the limit.

Mr. KELLEY. Suppose we cut it down to practically the original buildings, the temporary buildings; what do you say?

Admiral PARKS. Yes, sir.

Mr. KELLEY. At Hampton Roads you have a tremendously large establishment for training. We have training facilities enough to accommodate all the navies of the world.

Admiral PARKS. We will not get more than 3,000 out of this \$2,000,000.

Mr. KELLEY. This will furnish—

Admiral PARKS (interposing). We will not be able to get more than 3,000 capacity out of \$2,000,000. The buildings are finished, without reference to what the ultimate cost might be. I am putting in six barracks here, and we have space here for six more, and if we need these then later we can appropriate for and build them.

Mr. KELLEY. Do you not think if we gave you \$500,000 this year it would be all that you could take care of?

Admiral PARKS. It would not be all I could take care of.

Mr. KELLEY. In view of so much development on the Pacific coast, and since there is absolutely no use for this training school, particularly for another year—

Admiral PARKS (interposing). That is about the length of time that I would like to have to get it in fairly useful condition for them—that is, in about a year, or a year from next July.

Mr. KELLEY. Could you not finish it on the basis of 3,000 students for \$1,500,000?

Admiral PARKS. No, sir; it would be on the basis of \$2,000,000. I should not be surprised if we could not come nearer it with \$2,000,000 for 3,000. I have not been working on that 3,000 basis, so I can not tell right offhand about that, but there are certain general buildings that do not vary with the size of the personnel that is to be accommodated.

Mr. KELLEY. Are your plans so arranged that you can add to the buildings from time to time, so as to increase the capacity?

Admiral PARKS. Yes, sir.

Mr. KELLEY. And you could even stop it with \$1,000,000?

Admiral PARKS. I could stop it.

Mr. KELLEY. You could stop it after spending \$1,500,000?

Admiral PARKS. I could stop it at any amount fixed.

Mr. KELLEY. Then why not use \$500,000 and revise your figures a little bit, considering the lower cost?

Admiral PARKS. I do not know about that.

Mr. KELLEY. You think that it would be more economical to give you \$2,000,000 on that and close it up?

Admiral PARKS. I think so. I would like to get as much under two contracts now as I can, one being roads, streets, and sewers. That is the ground work, and I want one for the buildings. I have got to have the two together in some way. I might put in more roadways than would be ultimately needed, but we have got to have some balance between the buildings and the groundwork. If I know that I have so much money available, I can get up better plans than I could if I have less than the amount needed, or, perhaps, if I have more.

Mr. KELLEY. That completes all the items over which you have jurisdiction?

Admiral PARKS. I think so.

LEGISLATION, TOTAL PUBLIC WORKS, AMOUNTS AVAILABLE UNTIL EXPENDED.

Mr. KELLEY. There is an item here on page 63 of the bill which reads:

Total public works, and the amounts herein appropriated therefor, except for repairs and preservation at navy yards and stations, shall be available until expended.

Admiral PARKS. That clause is continued, and it has been continued for years.

Mr. KELLEY. But that is legislation.

Admiral PARKS. It is not new legislation.

Mr. KELLEY. Is that the law now?

Admiral PARKS. Yes, sir.

Mr. KELLEY. Then, it does not need to be in there.

Admiral PARKS. They keep repeating it from year to year.

Mr. KELLEY. The Naval Affairs Committee will have to provide that the amounts appropriated for public works, except for repairs and preservation at navy yards and stations shall be available until expended in order for it to be effective.

Mr. BYRNES. Is that the law to-day, or is there any such statutory provision as that?

Mr. KELLEY. They put it in the bill every year.

Mr. BYRNES. I was wondering if there was a permanent law covering that.

Mr. KELLEY. Have plans and detailed estimates been prepared covering all of the building projects embraced in your public-works estimate?

Admiral PARKS. They have not been.

Mr. KELLEY. Does not the law require that that shall be done?

Admiral PARKS. No, sir; the law requires a certain amount of plans and estimates which have been prepared, but they are not sufficient to make contracts on. It would require the \$200,000 worth of work provided for in the legislative bill to get these projects ready for contract. That is one reason why that paragraph making it available until expended has to be in there.

Mr. KELLEY. For such buildings and public works as will require the purchase of material not now in stock, we can safely make a reduction in your estimates of probably 33 $\frac{1}{3}$ per cent; could we not?

Admiral PARKS. No, sir; you might make it on materials.

Mr. KELLEY. I meant on material.

Admiral PARKS. But not on the whole estimates.

Mr. KELLEY. I said that upon material used in the construction of public works, where such material is not now on hand, and where it must be purchased on the market, we could make a reduction of about 33 $\frac{1}{3}$ per cent from your estimates for materials.

Admiral PARKS. I think that is a little larger than you could safely go.

Mr. KELLEY. About 50 per cent of your estimates are for material.

Admiral PARKS. Approximately.

Mr. KELLEY. Then, it simply remains for us to determine how much of that 50 per cent of material is on hand and how much you will have to buy on the open market.

Admiral PARKS. I do not think it is safe to take a project on the 50-50 basis, but I think you should look at each project and see whether 50 per cent of it is material.

Mr. KELLEY. We might not make it absolutely correct, but for purposes of calculation, we could apply that rule. On the labor side, how much reduction can we make from your estimates for a probable reduction in labor because of general conditions in the country?

Admiral PARKS. I do not understand that there is any evidence of a decrease in the building trades yet.

Mr. KELLEY. Where can we get detailed information as to the prevailing wages in all these navy yard towns?

Admiral PARKS. From the Department of Labor, I think.

Mr. KELLEY. Is there not some board whose duty it is to ascertain the prevailing wages at each place?

Admiral PARKS. There might be one in the Department of Labor.

Mr. FRENCH. Why would not the board that adjusts the pay at the various yards have that information at hand?

Mr. BYRNES. The Navy Department put in the hearings on the legislative bill a statement giving the prevailing wages as they were ascertained by some wage adjustment board. That statement was put in the hearings in connection with the bonus provision.

TUESDAY, JANUARY 18, 1921.

BUREAU OF MEDICINE AND SURGERY.

STATEMENT OF REAR ADMIRAL E. R. STITT, CHIEF, BUREAU OF MEDICINE AND SURGERY, ACCCOMPANIED BY CAPT. J. A. MURPHY, ASSISTANT, AND DR. W. S. GIBSON, CHIEF CLERK.

MEDICAL DEPARTMENT.

Mr. KELLEY. We have with us this morning Admiral Stitt, the Chief of the Bureau of Medicine and Surgery, Capt. Murphy, and Dr. Gibson. Last year you had under the item, Medical Department, \$2,500,000.

Admiral STITT. Yes, sir.

Mr. KELLEY. Are you asking \$4,000,000 for next year?

Admiral STITT. Yes, sir.

Mr. KELLEY. Was that request based on 143,000 men?

Admiral STITT. That request was based on practically 175,000 or 180,000 men and officers, as we would have 143,000 in the Navy, 27,000 in the Marine Corps, plus about 13,000 officers.

Dr. GIBSON. That was the official complement, but it was on the actual number of about 120,000.

Mr. KELLEY. What I want to know is just the basis on which the estimate of \$4,000,000 was made.

Dr. GIBSON. It was based on the statement of Navigation that there would be an average of about 120,000 enlisted men in the Navy throughout the year.

Mr. KELLEY. That is this year, and their figures are based on 143,000 for next year.

Dr. GIBSON. I understand that.

Mr. KELLEY. So the Admiral's statement is correct, that it is based on 143,000 in the Navy, 27,500 in the Marine Corps, and about 13,000 officers?

Admiral STITT. Yes, sir.

Mr. KELLEY. If we assume that the officers are the same and reduce the number of men in the Navy to an average of 100,000, and in the Marine Corps to 20,000, how much difference would it make in this item?

Admiral STITT. That would be 120,000 against about 175,000.

Mr. KELLEY. Would it be one hundred and twenty one hundred and seventieth?

Admiral STITT. They figured in the council once 27 per cent, that is, it would mean a reduction of 27 per cent with the 20,000 marines and the same number of officers. With 27 per cent off it would bring it down to \$2,920,000 for the Medical Department.

Mr. KELLEY. I make it 29 per cent.

Admiral STITT. Well, in the council meeting I think Admiral Taylor gave us that 27 per cent; that is what they gave us that we should base it on, 27 per cent.

Mr. KELLEY. I figure that 143,000 in the Navy and 27,500 in the Marine Corps would make 170,500, and 120/170 would be 29 per cent.

Admiral STITT. Those are the figures they gave us.

Mr. KELLEY. And 143,000 in the Navy?

Admiral STITT. Yes, sir.

Mr. KELLEY. That would be 120/170, or 5/7 off.

Admiral STITT. Yes, sir.

Mr. KELLEY. If you had \$2,500,000 for an average of 120,000 this year why will you need \$2,920,000 for an average of 100,000 next year?

Admiral STITT. The reason for that, sir, is that our original estimate for the present fiscal year was \$4,000,000, and it was cut in the department to \$2,500,000; we are asking for a deficiency for 1921 of \$1,700,000, which would bring it up to \$4,200,000. We were given \$2,500,000 and we are asking for a deficiency of \$1,700,000. That deficiency, however, has been reduced in the office of the Secretary. The pay of our civilian employees in the hospitals, which comes out of the Medical Department, is estimated at \$2,250,000, and the increase in that is the reason we go over our \$4,000,000 by \$200,000. Of course, our estimates were \$4,000,000, cut to \$2,500,000. We should have asked for only \$1,500,000 deficiency if our estimates had been correct, but during the past summer there has been a tremendous increase in the wages of the employees in our hospitals; that is, there has been a departmental ruling putting up the wages of these various civilian employees and also reclassifying them so as to make the employees in our hospitals correspond to the employees in the yards. That increase in wages and that reclassification has resulted in probably \$200,000 or \$300,000—we can not estimate as yet,—over our estimates on the old basis of pay, so that our estimates for this present fiscal year are \$2,250,000 for just the pay of civilian employees. All of the other expenses of the Medical Department—I mean, of this appropriation—are in connection with the buying of drugs, the buying of surgical instruments, surgical supplies, biologicals, and so on.

Then we have to support our patients on board ships and in dispensaries when they are sick and give them better food, give them what we call a special diet—that is, they can not live on the ration given on the ship—and all of that is paid out of this Medical Department. Dr. Gibson tells me that before the war he always estimated about \$15 a head for drugs, surgical instruments, special diets, and things of that sort. Now, in addition to the men in the Navy and the men in the Marine Corps we have the employees in the navy yards under the employers' liability compensation act; under that act we are obliged to give them first aid, and in addition to that, of course, if a man meets with an accident we will give him some medicines, in order to meet an indicated condition. So you can see how medicines follow up first aid, that is, when a man is given first aid there is a certain amount of medical assistance as well as surgical assistance given. There are about 75,000 or 80,000 of those, and we must consider that we have 100,000 in the Navy, 20,000 in the Marine Corps, plus the officers and plus about 75,000 or 80,000 civilian employees in the navy yards, and that would be in the neighborhood of 200,000. If we based that on this prewar estimate of \$15, we would practically have a need for \$3,000,000 for the above-mentioned items, but he has considered that probably \$8 would cover that. But for the purchase of biologicals, medical and surgical instruments, and special diets we certainly need approximately \$2,000,000; that is, estimating it on such a basis.

FOR SURGEONS' NECESSARIES FOR VESSELS IN COMMISSION.

Mr. KELLEY. Suppose we divide this up and take the first item, "For surgeons' necessities for vessels in commission, navy yards, naval stations, and Marine Corps." How much of the \$2,920,000 would be for that item?

Admiral STITT. When we were reduced 27 per cent we estimated that we could not reduce that at all, because that would have left us only \$695,000, and we estimate that we will need \$1,750,000.

Mr. KELLEY. For medical supplies?

Admiral STITT. Yes, sir.

Mr. KELLEY. Are not drugs coming down in price?

Admiral STITT. I must say that when I have been making out requisitions in the naval medical school for various kinds of laboratory supplies and medicines it was always a surprise to me when I found that prices had come down. They must come down, and I should think we could estimate they will come down, but within the past few months they do not seem to have come down; they seem to be going up, and I can not understand it.

Mr. KELLEY. Have you a large stock on hand that you carried over from your war supply?

Admiral STITT. We have quite a stock turned in from hospitals going out of commission and ships going out of commission, but it is mostly always things other than biologicals, drugs, surgical dressings, and that sort of material. Those materials which might be termed fresh materials, as well as rubber goods, deteriorate very rapidly. Our stock is made up largely of things like bedding, bedsteads, and permanent hospital and ship equipment. We have

already given more than \$1,000,000 of that sort of supplies to the war-risk people for their hospitals.

Mr. KELLEY. You mean you have given it to them?

Admiral STITT. Yes, sir; we have given them two entire hospitals, fully equipped in every way.

Capt. MURPHY. That is under authority of an act of Congress; that act authorized the use of supplies and existing hospitals of the Army and the Navy.

Mr. KELLEY. Is the stock of medicines you have on hand carried in the Bureau of Supplies and Accounts?

Admiral STITT. No, sir; that stock is carried mainly in the medical supply depot in Brooklyn; we also have a supply depot at Mare Island, Calif., and we have a supply depot in the Philippines.

Mr. KELLEY. Can you use that stock without an appropriation?

Admiral STITT. That has already been charged off.

Dr. GIBSON. The supplies we have can be used; yes, sir.

Mr. KELLEY. Do you have those supplies in your own storehouses, and can you draw them without appropriating any money?

Dr. GIBSON. Yes, sir. Only a part of those supplies represent medicines; we call them all "medical supplies," because they belong to the Medical Department. But they are largely, as the Admiral said, bedsteads, beddings, blankets, and mattresses.

Mr. KELLEY. Hospital equipment?

Dr. GIBSON. Yes, sir; that we do not really need, and for which we are not asking an appropriation.

Mr. KELLEY. Have you not a surplus stock of medicine on hand that you accumulated during the war?

Dr. GIBSON. Not a large reserve supply of medicines; our supply of medicines is not much larger than an ordinary reserve supply.

Mr. KELLEY. How do you explain that? Every other department during the war accumulated stocks for a navy of 550,000 men.

Dr. GIBSON. We did not find that necessary. If you remember, when Admiral Braisted appeared a year ago he explained how he got many of our supplies, that we did not buy very largely in advance, and that the people with whom we had dealt were very loyal to us; people like Squibb and other large manufacturers of the country; they came to us and told us they would carry on their own shelves stocks for us; Squibb guaranteed to carry so many pounds of ether for us all the time, so that we did not have to buy ether in advance, but took it as we needed it. Parke, Davis & Co., and lots of other such concerns, came to us in the same way, so that we did not buy largely in advance. We did not have the storage facilities to take them and we did not find it necessary. We had faith in these people, having had dealings with them, and felt that they would supply us in an emergency, and they did.

Mr. KELLEY. Do you buy supplies yourselves or do you buy through the Bureau of Supplies and Accounts?

Dr. GIBSON. Through the Bureau of Supplies and Accounts, but they only take action on our requisitions.

Mr. KELLEY. The surplus stock of other bureaus, held by the Bureau of Supplies and Accounts, is only available by paying for the stock. How do you have access to your surplus supplies without paying for them?

Dr. GIBSON. Our supplies have always been exempt from what they call the general-storekeeper system, and we have our own storehouse over in Brooklyn, but it was not half big enough to lay in a vast supply of stock had we wanted to do so; we did not have the storage room, but we did not care to do it anyway because we knew we could get the supplies as we needed them.

Mr. KELLEY. So, you think your supply of medicines is not much above the normal?

Dr. GIBSON. I do not think the supply is above what it ought to be at all times; it is a little larger than we generally carried in peace times, but not larger than we wanted to carry in peace times.

Mr. KELLEY. How much larger is the stock than that you carried in peace times?

Dr. GIBSON. Perhaps 25 or 30 per cent larger, but it is not so much larger but that we are buying all the time.

Mr. KELLEY. Could you not reduce this appropriation for medicine by, say, 10 per cent, and still have a surplus equal to your prewar surplus in percentage?

Dr. GIBSON. Not in medical supplies; we have never had a year's supply on hand.

Mr. KELLEY. How long could you take care of the needs of the Navy out of the surplus stock without buying any medicine?

Dr. GIBSON. In some supplies we could not go a day.

Mr. KELLEY. But I mean as an average. Of course you would always be running low in one article or another.

Dr. GIBSON. On the average we might go three months.

Mr. KELLEY. Why should you have as much as a three months' supply always on hand in times of peace?

Dr. GIBSON. As a military necessity we ought to have nine months' or a year's supply.

Mr. KELLEY. Why in peace time?

Dr. GIBSON. We never have had.

Mr. KELLEY. You went through the war all right without building up a great surplus. You would always be able to supply your needs from Squibb, Park Davis, and others.

Dr. GIBSON. We probably always would.

Mr. KELLEY. So it is not necessary to carry a great reserve supply of medicines.

Dr. GIBSON. They were particularly good to us, but the Army did not escape so easily; you know they had a large supply, and they had to go to the Council of National Defense to get their supplies.

Mr. KELLEY. What is the value of the stock of medicines you have on hand now?

Dr. GIBSON. I could not tell you exactly; right now we are taking an inventory, and that inventory will be completed in about two weeks, or perhaps three weeks.

Mr. KELLEY. Can you approximate it?

Dr. GIBSON. I know that we have perhaps \$4,000,000 or \$5,-000,000 worth of supplies all told, including these returned supplies that should not be at the supply depot; properly speaking, they are hospital supplies, beds, etc.; but when it comes to dividing it into classes, I could not do it.

Mr. KELLEY. Can't you even approximate it?

Dr. GIBSON. No; I would not be willing to give the figures on a guess, with an inventory now being prepared. It is not enough to carry us for more than three months, I do not believe.

Mr. KELLEY. What do you think, Admiral Stitt? Do you not think you could reduce your reserve stock by 10 per cent and take out that much with perfect safety from this item?

Admiral STITT. Of course, there is always this question of deterioration of medicines. I was in command of the supply depot out in the Philippines some years ago, and we had to survey and destroy a great deal of the stock that they sent us from the Brooklyn supply depot.

Mr. KELLEY. That would seem to argue that you ought not to keep a very large surplus.

Admiral STITT. That might be so. Among the goods sent to the Philippines were cans of ether and they had a tendency to rust, and I suppose a great deal of trouble was connected with the transportation out to the Philippines. As I understand from Dr. Gibson, they try not to keep on hand a big supply of things like rubber goods and biologicals. It is necessary to keep biologicals, things like smallpox vaccine and serums for the treatment of diseases, very fresh, because they deteriorate most rapidly.

Mr. KELLEY. If it takes \$2,920,000 for the year and you have a three months' supply on hand, that would mean about \$730,000 of medicines on hand, would it not? That is the way you would expect your inventory to come out?

Admiral STITT. But, as he said, most of this is along the line of hospital furniture, that is, beds, ward tables, mattresses, blankets, and things of that sort that go to equip a hospital.

Mr. KELLEY. Dr. Gibson said he had medicines enough for about a three months' supply. Your annual requirement being \$2,-920,000 for medicine and you have on hand a three months supply, that means the value of your stock of medicines is about \$730,000.

Dr. GIBSON. When we speak of medicines we mean drugs and other therapeutic materials.

Mr. KELLEY. I understand. But if you reduced your stock one-third that would mean a reduction of this item by about \$240,000. Even a 10 per cent reduction in your stock would mean a reduction of \$73,000 in this item.

Dr. GIBSON. Last year we issued about \$2,000,000 worth of supplies from our supply depots; we have three supply depots—one at Brooklyn, one at Mare Island, and one in the Philippines.

Mr. KELLEY. Are you speaking of medicines?

Dr. GIBSON. Medicines, dressings, instruments, etc., but not of hospital equipment.

Capt. MURPHY. Hospital equipment is in excess because of the preparation for further war activities.

Mr. KELLEY. I understand that.

Capt. MURPHY. And that, due to the demobilization of all our activities, will have to stay in our storerooms; that part of it which is new, for four or five years, perhaps.

Mr. KELLEY. But I understood the doctor to say that he had medicines enough on hand—I do not mean bedding and that sort of thing, but drugs which would come under the item we are talking about—to last the Navy about three months.

Dr. GIBSON. And leave us without anything at the end of the three months.

Mr. KELLEY. That is what you said.

Dr. GIBSON. I said we have enough supplies now on hand, on the average, to last about three months.

Mr. KELLEY. I want to know whether you can not reduce that reserve stock somewhat and reduce this appropriation for medicine by the same amount?

Dr. GIBSON. Three months we do not consider a reserve for six months.

Mr. KELLEY. You said it was more than you carried before the war?

Dr. GIBSON. Yes; but we do not consider three months a reserve; it takes three months to get supplies.

Capt. MURPHY. And you must remember that we only had one-third the personnel before the war.

Mr. KELLEY. You had less than a three months' supply for 50,000 men before the war and you have a three months' supply now for 100,000 men. I was wondering whether you could not cut down your reserve and stop the deterioration of certain classes of medicines and take out of this bill, perhaps, \$100,000. Of course, you understand the attitude of the committee is to give you all the medicines and supplies needed, and there is no disposition to reduce except where it will do no harm.

Admiral STITT. I must say that since I have been Surgeon General it seems to me I have done nothing but sign letters to hospitals saying, "I am very sorry to disapprove your requisition, but we must carry out the wishes of Congress and that is that economy must be strictly practiced." And I feel that they are all saying, "How unfortunate it is the other Surgeon General is not there to give us what we want." Dr. Gibson prepares these letters, but I must sign them, and that is the effort I am making, to carry out what I know are the wishes of Congress to cut down on everything.

CIVIL ESTABLISHMENT AT NAVY HOSPITALS, YARDS, ETC.

Mr. KELLEY. Take the next item; what are you asking for the civil establishment under that head?

Admiral STITT. A total of \$2,200,000.

Mr. KELLEY. On the basis of 100,000 men what would this be?

Admiral STITT. That is the item that makes it particularly difficult for us. In order to come down to that 27 per cent we would have to reduce from \$2,250,000 to \$1,170,000.

Mr. KELLEY. Could you not do that all right if you had fewer patients than you had planned on, on the basis of 170,000 men in the Navy?

Admiral STITT. The difficulty about those employees in the hospitals is, for instance, a month ago at Mare Island they had about 420 patients and to-day they have 870. January, February, March, and April are the months we dread in our hospitals, and possibly, to a certain extent, December; in the fall the hospitals run along with probably one-half the patients they will have to receive during these winter months.

Mr. WOOD. What increases the hospital population during the winter months?

Admiral STITT. Colds, and then pneumonias develop. It is really largely from overcrowding; that is, not overcrowding so much as insufficient ventilation; when they get in the barracks, and it is cold weather, they close up everything, and then the epidemics of colds start among the recruits; they get pneumonias, and they fill up the hospitals. It seems that during that time these epidemics of mumps and cerebrospinal fever and other contagious diseases develop; they seem to be connected with cold weather and from the buildings being more or less closed up. But the cooks and attendants at the hospitals are not flexible; that is, we can not discharge the cooks and attendants when the patients come down to half the number of patients they may expect a month later and then take them on. Then, another thing, in our hospitals is that the fleet cruises around and at one time we may have very few patients at New York.

For instance, the fleet will be at Hampton Roads, and the hospital at Norfolk will be filled up with the patients coming from those ships; then the fleet goes back to New York, and Norfolk would not, of course, receive any more patients, but then the flow from the ships would go to New York. So we never know what we can expect from month to month or week to week from the standpoint of the patients we may have to care for. In talking over this matter with Dr. Gibson, it has seemed to us that this civil employee matter, if we give proper care to the patients, can only be solved—which we do not think is very advisable—by putting the hospitals out of commission.

Mr. KELLEY. How are these people employed?

Admiral STITT. Cooks, mess attendants, the people who serve the meals that the cooks prepare; then we have plumbers, firemen, engine men, laundry men electricians, etc.

Mr. KELLEY. Your hospitals are not under the Bureau of Yards and Docks?

Dr. GIBSON. No, sir.

Admiral STITT. And we never have had enlisted Navy electricians, firemen, and so on, in our hospitals, as far as I know; we have always carried on those activities with civilians.

Mr. KELLEY. If you take out of the \$2,920,000, for which you are asking under this item, \$1,750,000 for medicines, that leaves \$1,170,000 for the civil establishment.

Admiral STITT. Yes, sir; \$1,170,000.

Mr. KELLEY. And \$225,000 of that you figure is necessary to pay the classified employees, leaving \$945,000 for the unclassified employees?

Dr. GIBSON. And those rolls represent now about \$2,250,000.

Mr. KELLEY. What rolls?

Dr. GIBSON. The rolls of the employees that the admiral is just speaking of, and which you are figuring down to \$945,000.

Mr. KELLEY. The \$945,000 is for the unclassified employees. Have you any other fund available for this purpose?

Admiral STITT. Not for paying the civil employees. As I understand, it is only under the item of Medical Department that we can pay the civil employees.

Mr. KELLEY. Where does the hospital tax of 20 cents a month collected from the officers and men go?

Admiral STITT. That is largely for the subsistence of the patients in the hospitals and making necessary repairs. The great amount of it is spent for provisions and other things for the patients who are in our hospitals. We do get the rations for those patients who are in the hospitals; that is commuted and turned over to the naval hospital fund, but, as a matter of fact, in most of our hospitals it costs us from \$1.10 to \$1.15 to subsist the patients, and we only get at the present time, I believe, 50 cents, so that we are out about 70 cents.

Mr. KELLEY. You get the full Navy ration, do you not?

Admiral STITT. We get the commuted ration, and it used to be as low as 50 cents.

Dr. GIBSON. It has been 68 cents for us since the 1st of July.

Mr. KELLEY. Before that it was more.

Dr. GIBSON. Before that it was less, 50 cents; until the 1st of July we had not gotten the 68 cents, but we are entitled to it since the 1st of July, though we have not gotten it as yet; it takes time to adjust it.

Mr. KELLEY. What does the 20-cent tax aggregate?

Admiral STITT. With the retired officers, the men in the Marine Corps and the officers in the Navy, that would probably amount to 150,000 persons, so that would only be about \$400,000 from the 20 cents a month that every one in the Navy pays. Then, of course, we average, I suppose, about 3,000 patients in our hospitals; we are now running close to 6,000 patients, but during the summer the number comes down, so I suppose we would average about 3,000 patients a day in our various hospitals.

Mr. KELLEY. I was under the impression that this sum amounted to something like \$3,500,000.

Dr. GIBSON. Last year the receipts under the naval-hospital fund were \$1,380,000; in 1919, \$2,600,000; 1918, \$1,400,000; in 1917, \$992,000; in 1916, \$1,169,000; in 1915, \$1,102,000, and in 1914, \$983,000. I went back seven years just to give you an idea. In 1919, the last year of the war, the receipts, from all sources, amounted to \$2,600,000. That is the only year that they have gone over \$2,000,000, and in all the other years they are less than \$1,500,000. You never make any appropriation directly for the support of Navy hospitals. We have 26 Navy hospitals and Congress does not directly provide for the support of those naval hospitals except that in this appropriation it provides for the civil establishments at the several naval hospitals. Of course, there are some contingent items, and in small ways provision is made for the hospitals, but only in a very small degree.

The support of these naval hospitals comes from funds derived from within the Navy; by the hospital tax of 20 cents; by the receipts from some fines and forfeitures through general courts-martial; we do not get fines and forfeitures from deck courts and others; and by a repay of 68 cents, under rations, made to the naval hospital fund for the support of patients. Along that line, however, we are losing money; we get 68 cents from "Provisions, Navy," and it costs us \$1, or more, to support the patients.

Mr. KELLEY. You mean for food?

Dr. GIBSON. Yes, sir.

Mr. KELLEY. And not counting the employees?

Admiral STITT. No, sir; that is just for the food.

Capt. MURPHY. During the war our average rate approximated \$4 per head per diem in outside hospitals; if we applied that to an average of 3,000 patients, which the Surgeon General estimates, it would cost you \$4,380,000 to support the patients during the year.

Mr. KELLEY. That \$4 includes the pay of doctors and nurses.

Capt. MURPHY. Yes, sir.

Mr. KELLEY. How much does it cost us, including everybody?

Capt. MURPHY. I do not believe we have estimated the actual cost; there is a great deal of overhead that goes into support of the Navy in connection with preparation for war.

Mr. KELLEY. If we would take into account the pay of the doctors, the nurses, and everything of that sort, food and supplies, it would probably cost us as much as \$4 a day, would it not?

Capt. MURPHY. It probably would, sir; but I do not think the patients would get the same attention. In fact, all through the war we had constant complaints from mothers, and from patients themselves, relative to their care and treatment in civil institutions. Of course, those civil institutions were handicapped a great deal as a result of the war conditions, but the average attention a patient gets in a civil hospital is very slight as compared with what a patient gets in a naval hospital, where the doctors are there all the time. In a civil institution this class of patients would have a visiting physician come in once a day and the rest of the time he would be under the care of an interne.

Mr. KELLEY. Suppose you sent a boy to the Garfield Hospital and put him in a general ward—for furnishing the medical attention, food, and everything, what would it cost you per day?

Dr. GIBSON. \$25 a week and extra for nurses and extra for attention. From our experience we would have to pay not less than \$70 for two nurses; \$25 for the ward; we would have to pay for the operating room; and from \$1.50 to \$2 per day for the subsistence of the nurses. It would cost \$50 for each nurse, or \$100 a week for the nurses.

Mr. KELLEY. If you had a day and a night nurse?

Dr. GIBSON. Yes; and that would be necessary if it were a serious case.

Capt. MURPHY. For an officer it would cost, judging by my own experience recently in connection with my own family, about \$112 a week.

Mr. KELLEY. The appropriation available to take care of the expense—doctors, nurses, food, clerks, and unclassified employees, also takes care of heat and light?

Dr. GIBSON. No, sir; we have to take care of our own fuel.

Mr. KELLEY. And all of the repairs to the hospitals, all the power, light, and heat, you say, are paid out of this 20-cent tax levied on the men in the Navy for hospital purposes?

Dr. GIBSON. Not out of the 20 cents; 20 cents on 100,000 men would only be \$240,000 per annum.

Mr. KELLEY. Are there other receipts?

Admiral STITT. Yes. The 68 cents, representing the cost of the ration, is credited to the hospital fund; but it actually costs us almost twice as much, because the cost of the food is something over \$1.

Mr. KELLEY. I understand that; but what I am getting at is this: We appropriate nothing for heat and light.

Admiral STITT. No, sir.

Mr. KELLEY. And that comes out of this hospital fund?

Admiral STITT. Yes, sir; and all repairs and extensions. We asked at the council meeting for an appropriation of \$350,000 for repairs to these temporary hospitals. Mr. Southworth, in the Bureau of Yards and Docks, who looks after the hospitals, says that certain repairs must be made to the temporary buildings put up on our hospital reservations during the war to increase the capacity of the hospitals; that if new roofing is put on them and the necessary repairs made they will probably last 10 years, but that if the necessary repairs are not made, those buildings will not last 2 years, or even 1 year. We asked for an appropriation of \$350,000 to put on new roofs, to do some painting, plumbing, and so on. After speaking to Mr. Daniels, he said I was at liberty to present that matter to you, but it was not approved at that time.

Mr. KELLEY. I suppose you are in the same situation about keeping up these temporary buildings as the other branches of the service. You have an excess of hospital facilities so far as buildings go—are you planning on keeping in repair temporary buildings put up during the war but not now in use?

Capt. MURPHY. We are in a little different situation in that our permanent hospital accommodations total about 2,500 beds, and we now have nearly 6,000 patients; in other words, we have got to utilize these temporary buildings to take care of our patients at the present time.

LOCATION AND BED CAPACITY OF HOSPITALS.

Mr. KELLEY. I wish you would give us a statement about the location and size of hospitals.

Dr. GIBSON. We have hospitals at Portsmouth, N. H.; Chelsea, Mass.—

Mr. KELLEY (interposing). As you go along state the number of patients that would ordinarily be cared for in each hospital.

Dr. GIBSON. The number varies, and Admiral Stitt or Capt. Murphy will answer that question.

Capt. MURPHY. I have a list here which is over two weeks old, and the number of patients has increased since then.

Mr. KELLEY. That list is as of what date?

Admiral STITT. This is as of the 1st of January, 1921.

Dr. GIBSON. I mentioned Portsmouth, N. H.

Admiral STITT. There we have 300 beds and at the present time 35 patients.

Mr. KELLEY. Is that the permanent capacity or does that include the temporary as well?

Admiral STITT. That includes the temporary buildings.

Mr. KELLEY. How much of a permanent capacity have you there?

Capt. MURPHY. One hundred and forty.

Admiral STITT. I was speaking to the commanding officer of that hospital yesterday and I asked him why they had so few patients and he said the fleet had not been in there.

Dr. GIBSON. Chelsea, Mass.

Admiral STITT. There we have 258 patients and 252 vacant beds.

Mr. KELLEY. You are speaking of the temporary and permanent capacity?

Admiral STITT. For many cases, like pneumonia, these temporary wards are much more convenient from the standpoint of isolation, and we use those temporary buildings for that purpose.

Mr. KELLEY. They are all right if we keep them repaired?

Admiral STITT. Yes, sir; they are really ideal wards in which to treat patients; during the war I was constantly impressed with that when I was going around inspecting these buildings.

Mr. KELLEY. Are they made out of the same materials as the temporary buildings at the Washington Hospital?

Admiral STITT. Some of them are, sir.

Capt. MURPHY. In connection with the vacant beds, while they seem to be many in some instances, it may be that 28 out of 30 are in a ward used for scarlet fever, for instance, and then the extra beds can not be used by any other patients. In addition to that, every hospital in the Navy must carry a reserve of beds; you can not develop shelter and accommodations for the sick over night. You remember here in Washington, during the influenza epidemic, the difficulty they had to get accommodations for the sick, the civilians, and we had that same difficulty, but we were able to carry through because we had shelter, and we were able, with cots and by utilizing makeshift accommodations under cover, to take care of our patients in the Navy. Take a place like San Diego. A large number of men came in there with spinal meningitis about three weeks ago, and that raised the total number of patients in that hospital by 300 over night, so that we must have some vacant beds in these hospitals.

Dr. GIBSON. Newport, R. I.

Admiral STITT. There we have 192 patients and 503 vacant beds.

Dr. GIBSON. That is a summer hospital.

Admiral STITT. But we have a training station there and at such a station we always expect measles, and other diseases of that sort.

Mr. KELLEY. If we did not have any school there in the winter what would you do—close it in winter and open it in the spring?

Dr. GIBSON. We would not save much on that; we tried that at the Great Lakes once and it cost us more, we thought, before we got through.

Admiral STITT. The only thing would be to have them go to Boston and put their patients in the hospital there.

Mr. KELLEY. Go ahead.

Dr. GIBSON. New York.

Admiral STITT. At New York we have 549 patients and 331 vacant beds.

Dr. GIBSON. League Island.

Admiral STITT. At League Island we have 263 patients and 361 vacant beds. At Washington we have 126 patients and 330 vacant beds. They are chiefly in those temporary buildings that were built as an emergency.

Dr. GIBSON. Annapolis.

Admiral STITT. We have 66 patients and 174 vacant beds. Of course there it is chiefly the midshipmen they have in the hospital.

Dr. GIBSON. Naval operating base, Hampton Roads.

Admiral STITT. At Hampton Roads we are pretty nearly up to 600 now, I know from our last report, but 484 is what is given here.

Dr. GIBSON. It was 667 yesterday. I talked to the commanding officer.

Admiral STITT. There are only 188 vacant beds.

Dr. GIBSON. I talked to the commanding officer of this hospital yesterday—he was trying to get another cook—and he said they have 667 patients.

Admiral STITT. And 484 is given here.

Capt. MURPHY. It shows what might happen in the ordinary course of events, within a few weeks, not due to the fleet coming around. It is just due to the increase that can be expected in cold weather and from the influx of new material in the service. If our personnel were stable; that is, if we had men who had been in the service for three years, they would not be getting mumps, measles, scarlet fever, and diphtheria; they would all have had it before; but most of the boys who come from the country have not been exposed to those diseases, and as soon as they get in a crowd they are pretty apt to contract those diseases.

Admiral STITT. Norfolk, 268 patients and 49 beds. I was just struck for the moment why there are so few beds at Norfolk. The reason for that is that our hospital corps training school, for teaching hospital corps men how to take care of patients and giving them the elements of pharmacy, and that sort of thing—we have a school for training these hospital corps men, and that was located at the Hampton Roads base, and they were becoming overcrowded, and we thought we could give them better opportunities at the hospital at Norfolk in the way of practical experience in handling patients, and the school was transferred there and we took over about 800 beds from the Norfolk hospital, which accounts for the small number of beds they now have.

Capt. MURPHY. But we had 1,100 boys to fill those 800 beds.

Admiral STITT. The figures here are 268 patients and 49 vacant beds. Now, that is one of our largest hospitals, you know; that is our big base hospital on the Atlantic coast.

Mr. KELLEY. Where is that hospital situated?

Admiral STITT. At Portsmouth. It really adjoins the city of Portsmouth.

Mr. KELLEY. How far from Norfolk?

Admiral STITT. About 3 miles, sir.

Dr. GIBSON. About a mile from the yard gate.

Admiral STITT. It always seemed to me when I was stationed there that it was about 3 miles when I had to walk.

Mr. KELLEY. Don't you get power from the central power plant at Hampton Roads?

Dr. GIBSON. That is possibly the only exception. Yards and Docks pays for that. They furnish our power, but so far we have not paid them anything for it.

Mr. KELLEY. All right; take up your next.

Admiral STITT. Charleston: We have 175 patients and 351 beds. Paris Island: We have 78 patients and 173 vacant beds.

Key West: We have 21 patients and 52 vacant beds.

Mr. KELLEY. What kind of a place is Key West?

Admiral STITT. I have not visited that for many years.

Dr. GIBSON. That was a school maintained down there.

Mr. KELLEY. Is that a good place for a naval station?

Dr. GIBSON. It is a good place for a naval hospital as long as we have a naval station there. We only follow the naval stations.

Capt. MURPHY. There are no civilian hospitals there. There are some of those stations where we have naval hospitals, and it is the only hospital for miles around.

Mr. FRENCH. The medical department follows the stations?

Admiral STITT. Yes, sir. We have to be on hand so if they need us we can give them the proper care.

Pensacola: We have 49 patients and 90 vacant beds. That is the aviation station.

Gulfport: We have 43 patients and 127 vacant beds.

Mr. KELLEY. How did you happen to get into Gulfport permanently? Why don't you close that place up?

Admiral STITT. We rather anticipated that might be done, sir.

Mr. KELLEY. There is no longer any reason for a training station there.

Admiral STITT. We will follow the station.

New Orleans: We have 46 patients and 176 beds.

Great Lakes: We have 705 patients and 507 vacant beds. That has probably been going up.

Capt. MURPHY. We had a telegram yesterday from the commandant of that place stating they had 889 patients and more coming.

Mr. KELLEY. That will probably take care of itself all right next year, as the need for training will not be so great as it has been this year.

Admiral STITT. Fort Lyon: We have 412 patients and 305 beds.

Mr. KELLEY. That is the tubercular hospital.

Admiral STITT. And that one, sir, is the one that cuts a great big figure in our expense for civil employees. That hospital costs more in that respect than New York, Philadelphia, and Chelsea put together. It costs nearly half a million dollars.

Mr. KELLEY. Why should it cost so much?

Admiral STITT. Because we have a dairy there, a herd of cattle to give milk for the tuberculous patients and in order to try to feed them, we have a farm there and raise alfalfa, and so on, and we have to pay the labor. It is an isolated place, so that we have to pay very high wages; and in addition to the cooks and the attendants for the sick, we have the employees of the dairy and of the regular farming activities for the dairy. We can not depend on the civil community at all for plumbers or anybody of that sort, so that we have to have all of those in there to help in those lines when needed.

Mr. KELLEY. How far is this place from Denver?

Capt. MURPHY. Two hundred and twenty miles, approximately.

Dr. GIBSON. It is between 7 and 8 miles from the nearest village, and the industry of that village is sugar beets, and there is nothing else we can get. We have to be resourceful within ourselves.

Capt. MURPHY. I may say, off the reservation within miles of view there are only three houses in sight.

Mr. KELLEY. I can see how it would be a rather expensive place, but it is necessary to take care of the tubercular patients, where the climate will help the doctors.

Admiral STITT. Yes, sir. Before we had a hospital of that sort, there was the greatest dissatisfaction about our handling tuberculars.

They did not want them in the regular hospitals on account of the danger of infection, and when we sent them to other hospitals there was always trouble.

Mr. AYRES. Is the Colorado climate a good climate for tuberculars?

Admiral STITT. I think it is generally recognized by the medical profession that for certain classes of tuberculous patients it gives us the best climate. Some seem to do better in climates like southern California or Florida; but for many tuberculous patients the dry air and the elevation about Denver and Colorado Springs seems to suit best.

Mr. KELLEY. How successful are you in the percentage of cures of tubercular cases?

Admiral STITT. It is very difficult to say that, sir. When there ceases to be any activity, that is, running fever, or coughing, and that sort of thing, and they are feeling more like themselves, they are apt to ask to go home. And it would be a very difficult matter to follow them up, and it is always a question whether a patient with tuberculosis is ever cured.

Mr. KELLEY. Yes; but they are greatly improved?

Admiral STITT. Yes, sir; it seems to be a very satisfactory place from the standpoint of benefit to tuberculous patients.

Mr. KELLEY. While it is expensive, this idea of keeping a farm and cattle there is necessary, is it?

Admiral STITT. Yes, sir; in order to give us a supply of milk that we can depend on. Then, too, this farming changes the reservation from practically a desert to a green spot, and of course that cheers the patients and they are interested in the cattle.

Mr. KELLEY. How much of a herd of cattle have you there?

Capt. MURPHY. One hundred and eighty when I was there last.

Admiral STITT. Puget Sound: We have 78 patients and 121 beds. Mare Island: We have 867 patients and 163 vacant beds.

San Diego—

Capt. MURPHY. May I interrupt. In connection with Mare Island the commanding officer telegraphed for additional nursing assistance and stated he had to move out into tents just recently. The report which Admiral Stitt has is over 2 weeks old.

Mr. AYRES. I wonder why there is such a number of patients at Mare Island at this time of the year?

Admiral STITT. The fleet, leaving there, probably turned in all their sick so as not to carry patients they might handle on board ships ordinarily—not to carry them down to Panama. Then they have had epidemics there, for this is the season for measles and mumps.

Capt. MURPHY. That hospital always draws from the training station at San Francisco and the trade school at Mare Island.

Admiral STITT. And they also draw from our Asiatic stations, that is, the hospitals in the Philippine Islands and the ships in China. Wherever patients have some serious illness they are sent home on the transports, and then they are all taken, when they get to the United States, up to the Mare Island hospital.

Dr. GIBSON. The transports all come into San Francisco.

Admiral STITT. San Diego. We have practically 310 patients and 385 vacant beds.

The Virgin Islands, at St. Thomas, will be 17 patients and 34 vacant beds. You see there is no civil establishment—the municipal hospital was very poorly equipped; it has only been through the Red Cross we have been able to do something for those natives there. The poverty among them is extreme, so there would be no place at all for the naval force.

Mr. KELLEY. The Navy is the governing agency for these islands and this hospital is for our officers and men stationed there?

Admiral STITT. Yes, sir; and from them we have drawn 17 patients with a capacity of vacant beds of 34. So that has a limited capacity.

At Pearl Harbor we have 39 patients and 35 vacant beds.

Mr. KELLEY. That seems like a very small number of patients, for so important a station.

Admiral STITT. That will show, of course, the hospital capacity. For a big base, that does seem to be a very limited capacity.

Capt. MURPHY. You might add there, Admiral, for Mr. Kelley's information, that we are completing two additional wards there of 60 beds. That is the total capacity, but they have not been placed in commission yet.

Admiral STITT. In Guam we have 62 patients and 23 vacant beds. Probably many of them are supernumeraries, because there is no place in Guam to treat injured civilians. That is from a humanitarian standpoint.

Mr. KELLEY. What do you mean by supernumeraries?

Admiral STITT. People who are not regularly in the Navy. From the civilian population, or a man whose period of discharge comes about when he is in the Navy and he has to be discharged from the service and, if he is sick, of course we have to keep in the hospital. He then becomes a supernumerary.

Capt. MURPHY. And war-risk patients, and people picked up on the street and taken into the hospital; they become humanitarian cases in the latter instance.

Admiral STITT. Canacao, in the Philippines: We have 100 patients and 42 vacant beds.

Olongapo: We have 32 patients and 24 vacant beds.

Mr. KELLEY. Last year we provided for the sale of a ship and for building a hospital there. Tell us about that.

Admiral STITT. I do not believe the ship has been sold yet, so they are still using the *Relief*.

Capt. MURPHY. The last cable message that came in stated that the ship had been abandoned and that they had moved into temporary quarters in one of the temporary barracks buildings. The sale of the ship was authorized by Congress on account of the cost of placing it in repair; \$75,000 of proceeds of sale was to be applied to constructing a hospital ashore.

Mr. KELLEY. This ship that was going to be sold was used for hospital purposes; is that it?

Admiral STITT. She was the hospital ship, sir.

Capt. MURPHY. She was the old *Relief*, now known as the *Repose*, that was used by the Army during the Spanish-American War. I might state in connection with that hospital proposition that the commander in chief in his last report from the Asiatic station stated it would be a matter of five years before we could totally abandon Olongapo, even though Congress appropriated money to dredge, down

at Canacao, for the dry dock *Dewey*. That means that the Asiatic Fleet will assemble from time to time in Olongapo or Subic Bay, and that some of the personnel will be sick and we will have to have accommodations there to take care of them. It is isolated, and they can not get to Manila except by water, and at times you can not go by water during the southwest monsoon.

Mr. KELLEY. This hospital will have to be continued in temporary quarters if you abandon the ship?

Capt. MURPHY. Yes, sir.

Admiral STITT. Yokohama: We have 7 patients and 95 vacant beds. It all depends on whether the fleet comes into Japanese ports.

WAR-RISK INSURANCE PATIENTS.

Mr. KELLEY. When you are assigned war-risk patients, does not the War Risk pay you for them?

Admiral STITT. Yes, sir. The War Risk pays us \$3 a day, and that is credited to the hospital fund.

Mr. KELLEY. How much have you estimated that will be this year?

Admiral STITT. At the present time they have only, I think, 138 war-risk patients in our hospitals, scattered through the various hospitals. So that figuring it on a basis of 140 patients at the present time, \$3 a day would be something over \$400 a day.

Capt. MURPHY. The Navy appropriations won't make anything out of that \$3 a day.

Mr. KELLEY. Where did you get the money during the war, when you assigned men to private hospitals?

Admiral STITT. Out of the appropriation called "Care of hospital patients."

Dr. GIBSON. Before you get off of that, might I say, with regard to this increase in the note here, \$3,500,000, that this Naval Hospital Fund has been over obligated. We have no balance under that now. We have drawn that out, and are using that right up to the notch.

Mr. KELLEY. The estimate is too high.

Dr. GIBSON. And beside the estimate being too high, our income last year was \$1,300,000, as I said.

CIVILIAN CLERICAL SERVICE IN HOSPITALS, DISPENSARIES, ETC.

Mr. FRENCH. Just another thought: If the item should be reduced from \$4,000,000, 27 per cent, would it not balance the bill better if this last item of \$225,000 should be reduced and the reduction added to the amount that could be spent on the unclassified? Why should not the \$225,000 be reduced 27 per cent and the reduction added to the unclassified amount?

Dr. GIBSON. There is a reason for that. I do not think we could get along with less than that \$225,000.

Mr. FRENCH. That is, it would take as much clerical assistance to handle the work on the basis of a reduced total amount as it would take it on the basis of the original amount.

Dr. GIBSON. Not quite as much, perhaps, but it would not make a great deal of difference. As Capt. Murphy says, this overhead continues whether we have a large number of personnel or a small num-

ber. The institution has to be kept going, and all returns and reports have to be made to the commandant of the station and bureaus of the department, just the same.

Mr. KELLEY. But you were figuring this \$225,000 as being necessary on a basis of 183,500 people, don't you see. With that reduction now to 133,000 (which would be 100,000 of the Navy, 20,000 Marine Corps, and 13,000 officers, making in all 133,000) there should certainly come out some amount there, your clerk hire should not be more than it was last year. It should be less.

Dr. GIBSON. I do not think we can avoid it. The conditions have changed as we are not allowed to employ hospital corps men as heretofore. Heretofore we were able to employ hospital corps men to do a great deal of the clerical work.

Mr. KELLEY. Clerical estimates must be reduced, Doctor.

Dr. GIBSON. But they are taking the hospital corps men away from us and the only way to keep going is to employ civilians; as it is, the orders of the department are to send military personnel to sea and to employ civilians in their places.

Mr. KELLEY. There are too many clerks in the Navy, and when you get them on you never get them off unless you cut off the appropriation.

Dr. GIBSON. We explained that a year ago, Mr. Kelley, by saying we had not had this force theretofore and it took time to train it. We told the committee, Admiral Braisted and I, this would not be enough. They asked would that be enough, and we said it would not, but "It will be all we can train this year. We need more than that. If the Hospital Corps men and yeomen, who have served in the hospitals up to this time, are sent away from the hospitals we will have to have civilian clerks to take their places."

Mr. KELLEY. That will depend on whether or not you have as much clerical work to do.

Capt. MURPHY. The grand total of the Navy personnel for the past six months—that is, enlisted men, officers, and nurses—is 147,128, daily average. We based it on the weekly report we get up, and that is the nearest we could get to make it a daily average. The number of clerks we have to handle the sick of that personnel is too small at the present time. So that really this estimate is not based on 183,000. It is based on the experience with 148,000.

Mr. KELLEY. I think, Captain, you will have to pull in on the clerk business. Everywhere we have this clerk question to look squarely in the face. Nobody seems to want to let go of clerks. I presume it is human nature. The chief of a division gets attached to his clerks and he hates to send in an order cutting them off, and as a result the force is kept up unnecessarily and we are wasting a tremendous amount of money.

Dr. GIBSON. We have only had this clerical force for about seven months. It only began its existence on the 1st of July as a military necessity, and we have not enough. Our yeomen and Hospital Corps men are leaving us and going to sea. That is a matter of departmental policy, and we have to replace them as rapidly as we can with civilians.

Admiral STIRR. Mr. Kelley, the American medical profession, particularly the American College of Surgeons, has been studying this question of hospitals in the civil communities most intensively for a year or more and they have put out what they call minimum require-

ments for the proper requirements of a hospital. And one of the most important things that they bring out is in connection with the records that are to be kept in that hospital in connection with the history of the illness of the patients.

Our records in the Naval Medical Service have been very satisfactory, but in order to come up to the minimum civilian requirements as to the records that should be made in connection with the illness of a patient, we feel that we have to follow suit, so that there will be no criticism on the part of the American College of Surgeons or the American Medical Association. And we have just put in force the keeping of the records that will be on a par with the minimum requirements. These are just the minimum requirements of the American Medical Association and the College of Surgeons, and that is going to bring a tremendous increase of clerical work on our hospitals. Of course, the medical men could do some of it.

Mr. KELLEY. How many classified employees have you at the Great Lakes?

Dr. GIBSON. Six, if I recall correctly, at the hospital there.

Mr. KELLEY. How many have you, all told?

Dr. GIBSON. I could not tell you that now, Mr. Chairman. They are changing all the time.

Capt. MURPHY. Six is the greatest number at any one place.

Dr. GIBSON. Well, this is a new proposition. It has only been in force seven months. We deliberately, Admiral Braisted and I—did not ask for what we wanted, but we asked for what we could train and use this first year, you know.

Mr. FRENCH. Who did the work before?

Dr. GIBSON. The enlisted men in the service, sir; the Hospital Corps men and yeomen assigned to shore duty at hospitals to do clerical work. Now we are unable to keep them.

Admiral STITT. It was very unsatisfactory clerical help.

Dr. GIBSON. The department has ordered that they go to sea, and won't permit us to retain them at the hospitals.

Capt. MURPHY. It would be very much better for our naval hospitals if Congress would authorize the detail of enlisted personnel.

Mr. KELLEY. There are 75,000 men on shore, as a matter of fact, and I think you can get your share, Doctor.

Dr. GIBSON. The greater part of that number are new recruits, in training, as a result of this great increase in the past six months.

Admiral STITT. As I said before, we are going to do the best we can to economize in every way, sir.

Mr. KELLEY. Now, Admiral, don't you think, in view of the three month's stock of medicine you have on hand, you can get along all right with the \$2,500,000 that you had for this item last year?

Admiral STITT. The fact that we are coming up with an estimated deficiency of \$1,700,000 would indicate that we could not get along on \$2,500,000, sir.

Mr. KELLEY. Who figured out this estimated deficiency?

Admiral STITT. Dr. Gibson.

Mr. KELLEY. On what basis did you figure, Doctor, the size of the Navy for the rest of the year?

Dr. GIBSON. I did not figure so very much on that, Mr. Kelley.

Mr. KELLEY. How did you arrive at the amount of your deficiency?

Dr. GIBSON. I got our statements from the bookkeeping division of the Bureau of Supplies and Accounts that showed very conclusively that we would spend \$4,000,000 this year.

Mr. KELLEY. That depends on how much you are going to spend the rest of the year, doesn't it?

Dr. GIBSON. Yes, sir. We are not closing any of our institutions. I figured the available balance we had on that date.

Mr. KELLEY. What date was that?

Dr. GIBSON. That was the October statement. And I knew what our pay roll would amount to the rest of the year. This is an appropriation of only two items, you know, and it is rather easy to figure it. I knew what our pay roll was; I knew the department was not closing any stations this year, and even if they did undertake to close them now it would be the end of the year before they would get them closed. And I knew with a \$2,250,000 civilian pay roll we were not going to get through on the \$2,500,000 appropriation.

Capt. MURPHY. We are three months behind in the bureau on our War Risk information, on our answers to War Risk requests for information. In the past, we have been able from time to time to bring in enlisted personnel to help us out.

Mr. KELLEY. Go ahead, Doctor. How did you figure out the rest of the year? How many men did you figure on being in the Navy?

Dr. GIBSON. I did not figure on the number of men.

Mr. KELLEY. I think, taking into consideration your big item is in the amount of medicines you use, and the fact you have a three months' stock on hand, that you should be able to get by without an increase in this item.

Dr. GIBSON. The principal item I took first was our pay roll. There was \$2,250,000 for the pay roll.

Mr. KELLEY. Would it not make any difference in your pay roll whether they stopped recruiting or not and did not take in any more men?

Dr. GIBSON. Not a great deal. That is overhead, that pay roll business; that is for the conduct of the hospitals, and so long as the hospitals are kept open you have to keep enough people to keep them running, and we could not further materially reduce. We reduced our pay rolls last June as far as we possibly could.

Capt. MURPHY. Assuming that the pay roll is correct, \$2,250,000, and the appropriation is \$2,500,000, that will leave us \$250,000 to cover all our needs in the subitems of that head.

Mr. KELLEY. You could not do that, of course. You could not run such a pay roll as that.

Capt. MURPHY. Last year we issued over \$2,000,000 worth of those subitems in that appropriation, and you will only give us \$250,000 to cover that issue.

Mr. KELLEY. This question of clerical help is one that every department has to exert itself on, or else you will never get it down.

Capt. MURPHY. I understood you were back on the Medical Department, the \$4,000,000 item.

Dr. GIBSON. We are not talking about the \$2,500,000 item now.

Mr. KELLEY. No, I am talking about the whole item, \$2,920,000. If you took into account the fact that you had three month's stock of medicines on hand which was a larger percentage than you kept before the war, and the fact the Navy would be reduced from 143,000

that you figured on, to 100,000, and the Marine Corps from 27,500 to 20,000, could you not get along on the same amount we carried last year?

Dr. GIBSON. No, sir.

Mr. KELLEY. How much of this \$2,900,000 could you take off in view of what I have said?

Dr. GIBSON. If you close any stations, we could make a reduction; but if the hospitals are to remain in commission, the reduction can not be very great.

Mr. AYRES. In other words, the doctor's position is if you close these training stations he can cut out the hospital entirely; otherwise, he can not reduce.

Capt. MURPHY. Of course, this appropriation goes into a fiscal year that is coming after July 1. Is it presumed there will be no more recruiting after July 1?

Mr. KELLEY. No more, or but little.

Capt. MURPHY. After July 1 for the whole year?

Mr. KELLEY. They figure there will be 115,000 men in the Navy on the 1st of July, in round numbers, and there are 43,000 expirations of enlistments during the following year, and they estimate that 60 per cent of these will reenlist. That makes 25,000 reenlistments. That will bring the Navy down to about 98,000 men by July 1, 1922, without any new enlistments at all.

Capt. MURPHY. In other words, you will appropriate, then, for 100,000 instead of 120,000 average?

Mr. KELLEY. Yes. On that basis I think you could come down to \$2,500,000 or \$2,750,000 at the very outside.

Capt. MURPHY. I do not think you can come down to \$2,500,000, but you may come down to \$2,750,000 for all those things.

Mr. KELLEY. How about that, Admiral; \$2,750,000 in view of these changed conditions of which the committee has advised you?

Capt. MURPHY. In other words, there will be on an average 100,000 men in the Navy next year.

Mr. KELLEY. And very light training classes everywhere.

Admiral STITT. Unless we could get enlisted people such as the yeomen you speak of for the clerical force and for our cooks and people of that sort, to take the place of these high-paid civilian cooks—

Mr. KELLEY. I think you can do that, Admiral, if you go at it pretty diligently.

Dr. GIBSON. We have worked hard for that for 20 years, Mr. Kelley. You have power to do it in a few words in this bill.

Mr. KELLEY. That would be legislation and we could not put it in; but we would not want to direct the Secretary of the Navy as to a detail like that, anyhow.

Dr. GIBSON. No; but it could be authorized. The department claims it is not a proper detail.

Capt. MURPHY. As a matter of fact, they would like to do it, Mr. Kelley, because it would give them the opportunity to assign individuals, who had long service at sea, to a little time ashore.

Mr. KELLEY. Captain, every place you can stick a man on shore, has an enlisted man in it right now.

CONTINGENT, BUREAU OF MEDICINE AND SURGERY.

Mr. KELLEY. Contingent, Bureau of Medicine and Surgery. Last year you had \$500,000 and this year you want the same. How much are you estimating for tolls and ferriages?

TOLLS AND FERRIAGES.

Admiral STITT. The tolls and ferriages is a very small amount, sir. There are just a few stations where they have to pay that, sir. It does not amount to anything.

CARE, TRANSPORTATION, AND BURIAL OF DEAD.

Mr. KELLEY. Take the next item, care, transportation, and burial of the dead, including officers who die within the United States.

Dr. GIBSON. Our books are not kept in the Navy Department to show the cost by clauses.

Dr. GIBSON. The language gives us authority for doing these things.

Mr. KELLEY. How do you make up this total of \$500,000; what itemization have you of it?

Admiral STITT. We know approximately what these various activities have required in money from year to year. Of course in the matter of burying the dead, it is almost impossible to get any idea on that. If you have an epidemic, the number would increase greatly; but this contingent pays for the burial in the immediate vicinity of the hospital.

Mr. KELLEY. We had \$142,000 for this item in 1916 with 50,000 men. Suppose we double it and make it \$284,000 for 100,000 men. Why is not that a good basis?

Admiral STITT. A great many of the articles in this bill are connected with the purchase of various supplies; for instance laboratory supplies, which are certainly two or three times as expensive now as they were before the war, that is, the 1914, 1915, 1916 period. Of course it began to go up in 1916. And particularly dental supplies, they have gone up considerably, and that amounts to \$50,000 and \$60,000 a year, the dental supplies that come out of this contingent. And the laundry that comes out of that is quite large. And all of these dispensaries on board of our ships—

Mr. KELLEY. Admiral, before appropriating a sum of \$500,000 there ought to be an itemization of some kind. We must know what the money is to be used for.

Mr. BYRNES. That is what I want to ask, that you put in the record an itemized statement of it.

Mr. AYRES. You see, if Mr. Kelley, who will be in charge of the bill when it gets in the House, should be asked on the floor to explain why this appropriation is necessary he would be up against it on that appropriation if some Member should insist on the details of this item.

MAINTENANCE AND REPAIRS OF NONPASSENGER-CARRYING WAGONS.

Mr. KELLEY. I notice a number of new words, which of course we can not put in because that would be new legislation—main-

tenance and repairs of nonpassenger-carrying wagons. You ask to have the word "Maintenance" put in there; what is the reason for that?

Dr. GIBSON. To meet some of the requirements of the law of 1914, I think.

Mr. KELLEY. What was that?

Dr. GIBSON. It was a law that prohibited the purchase of passenger-carrying vehicles and prescribed a limit just under what conditions they might be purchased.

Mr. KELLEY. How do you get along now?

Dr. GIBSON. We get along now partly by grace. We thought that purchase and repairs of passenger-carrying wagons—

Mr. KELLEY. This is nonpassenger carrying.

Dr. GIBSON. Of nonpassenger-carrying wagons there is nothing in here that prescribed the maintenance of them.

Mr. KELLEY. How do you maintain them now?

Dr. GIBSON. We do maintain them; the accounts have never been held up for their maintenance and probably won't be.

Mr. KELLEY. Does that mean for the gasoline and chauffeur?

Dr. GIBSON. It does not mean the chauffeur, because the chauffeur comes out of this other appropriation, pay of employees; but it means gasoline, lubricating oil, tires, and anything for maintenance. That word was only put in there to make us feel safer. It can go out; we have gotten along without it. We may come against some captious person who says we have no right under purchase and repairs to maintain, but we have not so far.

Mr. KELLEY. The last clause here is for "all other necessary contingent expenses." Does not that cover everything?

Mr. BYRNES. Yes; I think, in view of the fact he says they are now doing it, it is not necessary for us to put that in here.

Dr. GIBSON. Our attention has been brought to the fact we did not have the word "maintenance" in here; but they have never gone to the extent of holding us up.

Mr. BYRNES. Is not the same thing true as to the next word there, "including?" It says, "and repairs of nonpassenger-carrying wagons 'including' automobile ambulances."

Dr. GIBSON. That word could go out for the same reason.

Mr. BYRNES. I think the less explanation you have to make this year the better off you are.

PURCHASE, MAINTENANCE, REPAIR, ETC., OF PASSENGER-CARRYING MOTOR VEHICLES.

Mr. KELLEY. You are asking to have the limitation of "two" passenger-carrying motor vehicles for naval dispensary removed. How many do you want?

Dr. GIBSON. We do not know; we have not bought any for some time, and they are getting old. There is where we do have trouble—purchase, maintenance, repair, and operation of "two" passenger-carrying motor vehicles. They last longer than one year, but next year for the two we bought this year we would have no appropriation to maintain if that word "two" stays in. We have authority to purchase two every year with that word in there, but we have no

authority to maintain and upkeep the two we purchased the year before.

Mr. KELLEY. I did not suppose you had any authority to purchase any automobiles at all, passenger carrying?

Dr. GIBSON. We have here the word "purchase" of passenger carrying in italics.

Mr. BYRNES. Under that language, "purchase, maintenance, repair, and operation of two," you say that you can purchase two cars each year?

Mr. KELLEY. He could if we put in the word "purchase," which they have asked for.

Mr. BYRNES. How are you now purchasing them?

Dr. GIBSON. We are not purchasing at all.

Mr. BYRNES. Oh, you are not?

Dr. GIBSON. No, sir.

Admiral STITT. The Red Cross and various bodies gave the Medical Department hospitals a great number of automobiles.

Mr. BYRNES. I misunderstood you, then, when I thought you said you had power to purchase two cars each year.

Dr. GIBSON. We will have if that word "purchase" goes in.

Mr. AYRES. What you want now is authority to purchase, repair, and maintain motor vehicles, eliminating the word "two?"

Dr. GIBSON. Yes, sir.

Mr. AYRES. You are not asking for the power to purchase, but simply to maintain, repair, and operate?

Dr. GIBSON. Yes, sir.

Mr. BYRNES. Have you got more than two?

Dr. GIBSON. The Red Cross has given us machines.

Mr. BYRNES. On this line where you have inserted the word "purchase," if that word is stricken out and the word "two" on the following line is stricken out, you would have the power to maintain, repair, and operate an unlimited number of passenger-carrying motor vehicles. As a matter of fact, how many of such vehicles have you?

Dr. GIBSON. We have two such vehicles, in addition to the ambulances.

Mr. BYRNES. What is the necessity then for asking for this change?

Dr. GIBSON. During an epidemic of "flu" or during any epidemic it might be necessary for us to put five or six into commission. We would not be able to purchase, but the Red Cross would give them to us, and we are authorized to accept from the Red Cross. This would authorize us to maintain and operate them if they were given to us without cost.

Mr. BYRNES. If such a contingency arose and an additional machine was presented to you by the Red Cross, you would have no authority to operate and maintain that car unless we struck this word "two" out of the section; is that right?

Dr. GIBSON. That is right.

Mr. KELLEY. The Bureau of Yards and Docks has a great many automobiles in storage. Last year your bureau did not want to have your cars controlled by the Bureau of Yards and Docks. You wanted to run them yourselves. If you had let the Bureau of Yards and Docks control all cars you could have an assignment made to you whenever you had need for them.

Dr. GIBSON. If we have them assigned, we have to pay for maintenance.

Mr. KELLEY. The Bureau of Yards and Docks maintains all vehicles—

Dr. GIBSON. No, sir.

Mr. KELLEY. Last year we took away maintenance and control of automobiles from every department and put them in the Bureau of Yards and Docks, and the Ordnance Department and the Bureau of Medicine and Surgery alone objected to that arrangement and wanted to control their own automobiles. Now you are here this year asking for some other kind of an arrangement whereby you can take care of more. Had you subscribed to the arrangement last year you could have had all the automobiles that the Chief of the Bureau of Yards and Docks thought you ought to have.

Capt. MURPHY. That is the difficulty, Mr. Kelley; we are looking after sick people and our exigency would be based on his attitude of mind, apart from sickness.

Mr. KELLEY. Well, his attitude would be the same as anybody else's. If you had an epidemic and needed an extra automobile down there at the dispensary, he would be quick to recognize the exigency.

Mr. BYRNES. Even if you do secure automobiles from the Bureau of Yards and Docks or any other place, you would not have authority to operate them, because you only have authority to maintain and operate two?

Dr. GIBSON. That is it.

Mr. KELLEY. The Bureau of Yards and Docks has authority to maintain and operate for all these other bureaus.

When can you give us the details of this \$500,000; this afternoon?

Dr. GIBSON. I hardly think so, sir.

Mr. BYRNES. Just a general classification; we do not want an itemization.

Dr. GIBSON. Just a statement following each clause?

Mr. BYRNES. Yes, sir.

Dr. GIBSON. Under the Dockery law we are not allowed to keep any books; all the bookkeeping and accounting in the Navy Department is done in the Bureau of Supplies and Accounts.

Mr. KELLEY. I know that, Doctor; but you are asking here for \$500,000. That is a large sum of money and we want to know how it is to be applied. You must have books enough for that or you could not make the estimate.

Dr. GIBSON. We have, but I will have to dissect them a little.

HYGIENIC AND SANITARY INVESTIGATION AND ILLUSTRATION.

Admiral STRITT. There is one item in that—the sanitary, hygienic, and special instruction—that I am very much interested in and I think is a matter that will help the Navy greatly. That is giving the men in the Medical Corps an opportunity to take postgraduate instruction in various branches, such as ophthalmology and surgery, and it is only by giving them this opportunity to post up in the civilian medical schools that we can keep them up to the mark. And the amount expended under that for the last year will probably amount to about \$10,000. For instance, we pay \$500 for a course

at Washington University, St. Louis, in eye and ear diseases; we pay \$300 at Massachusetts General Hospital in Boston for instruction in medical work. Now, I think it would be of the greatest value to the Medical Corps from the standpoint of improving them professionally and the Navy at large if I could spend double that amount in giving the men who are in this service these opportunities to improve themselves professionally.

Mr. KELLEY. Where would that come in?

Admiral STITT. That comes in under this sanitary, hygienic, and special instruction, on page 65.

Mr. KELLEY. Have you the details to show just what each item is?

Admiral STITT. Yes, sir.

BRINGING HOME REMAINS OF OFFICERS, ETC.

Mr. KELLEY. Then we will leave this until you get your itemization. The next item is bringing home remains of officers, etc. You had \$300,000 and you ask for \$200,000. Tell us about that, Admiral.

Admiral STITT. This appropriation is connected with bringing home from France and other parts of Europe any of the dead of the Navy or Marine Corps and, in addition, many even who died during the Spanish-American War whose bodies may have been buried in the Philippines, for instance. This covers the expense of preparing the bodies for shipment, special caskets, bringing them to some port of embarkation, transporting them to the United States, and then, after arrival of the body in the United States, paying the expense of express to their homes or to some national cemetery, according as the family may elect to bury the body.

Mr. KELLEY. How much have you spent so far this year out of this \$300,000?

Dr. GIBSON. We have spent, so far, about \$157,000.

Mr. KELLEY. About half of it?

Dr. GIBSON. Yes, sir.

Mr. KELLEY. It is available until June 30, 1922. I suppose the bulk of that work is done, isn't it?

Dr. GIBSON. The bulk of the work in France is done.

Mr. KELLEY. Then why do you need any more, as long as that sum is available until June, 1922?

Dr. GIBSON. The accounts have not yet been received for that work, Mr. Kelley. The large work we speak of in France—

Mr. KELLEY. Is done?

Dr. GIBSON. Has just been about completed now, but not charged up yet. It is not done from the accounting standpoint. We have not heard yet how much that has cost in France.

Mr. KELLEY. You do not know how much you will need?

Dr. GIBSON. No, sir.

Mr. KELLEY. How do you estimate it will be \$200,000?

Dr. GIBSON. You are asking about the work we are doing this year, and I say this year's work in France is about done, but we have not yet received the accounts. For next year we have diminished the estimate \$100,000.

Mr. KELLEY. What I am getting at is this: You had \$300,000 last year—

Dr. GIBSON. Yes, sir; for 1921.

Mr. KELLEY. And you have spent \$150,000 or a little more and have about the same amount left.

Dr. GIBSON. We may spend that all; I understood you to say up to the present time the bulk of the work in France that we are going to do now is done right now. We have taken up the bodies along the coasts and in the unrestricted areas. That is a small proportion of the entire number of bodies that are to be brought home. We have not started yet with the systematic work within the restricted area, within the battle-line area. There we have some thousands of bodies, principally marines; not so many bluejackets, but principally marines buried in there. We have not started that yet and we do not know when we can start that, or if we will at all.

Capt. MURPHY. That area was restricted by the French Government.

Dr. GIBSON. This appropriation is not an appropriation made particularly with a view to handling the World War situation; it is an appropriation we have had ever since the Spanish-American War, so that we have the medical needs of the service to meet all the time.

Mr. KELLEY. My recollection was \$300,000 was estimated to be the amount required for this purpose, and it would probably be through by June 30, 1922, so that the amount was given and the appropriation made available, giving you that whole period of time last year. Now, what has happened since then that makes it necessary to appropriate \$200,000 more for this same purpose?

Dr. GIBSON. The fact that was made available for 1922 was not a special feature of the act for last year. It has been a two-year appropriation for a number of years.

Mr. KELLEY. It was put in the law last year.

Dr. GIBSON. But the year before it was the same way in the law, and the year before that.

Mr. KELLEY. 1922?

Dr. GIBSON. No, but each year for years it has been made for two years: you will find that to be the case.

Mr. AYRES. What was the idea?

Dr. GIBSON. It was the idea of the committee. This appropriation used to read "and shall be available until expended."

Mr. BYRNES. Then they limited it to two years?

Dr. GIBSON. The committee objected to that and wanted to make it for a definite period, and we told them of the difficulties we had frequently when we undertook the work and not being able to carry it through in one year it was held over, so they made it a two-year appropriation.

Mr. KELLEY. Without knowing how much you are going to spend the rest of the year and your general plans for getting into the battle fields not having been worked out yet, why not let this stand? You will have another Congress here next summer that will give you more money, if necessary, to bring these boys all back, and if it is not necessary to put this in here we do not want to do it. Why not let it stand until you know more about your needs?

Capt. MURPHY. The bulk of the work is yet to come; most of them are in this restricted area.

Mr. KELLEY. You have not touched that yet and do not know when you are going to, and have not made any plans.

Admiral STITT. The families of all these boys who die in our hospitals generally want them sent home.

Mr. KELLEY. There is no disposition on the part of anyone not to bring them back. And, anyhow, when the marines are with the Army they belong to the Army, and—

Dr. GIBSON. We do not know how that will be handled, there is a commission that is handling that.

Mr. KELLEY. That is another thing. There is a commission handling that, and they have \$21,000,000 in the Army for this very purpose.

Dr. GIBSON. For all marines?

Mr. KELLEY. Oh, no; but when they are with the Army they are part of the Army, and \$21,000,000 has been appropriated for bringing home the dead, the Army, the Navy, and the Marine Corps.

Capt. MURPHY. The Army has not paid for them when they are dead, even though they served with the Army.

Mr. AYRES. I think that appropriation for bringing back the dead states for the Army and Marine Corps.

Mr. KELLEY. But in any event your requirements are so uncertain that it is difficult to justify the appropriation in this bill.

Dr. GIBSON. It is, Mr. Kelley. If you won't approve this amount why make it \$100,000 instead of \$200,000?

Mr. KELLEY. We want to put in money enough to bring them back, but we are not just throwing in hundreds of thousands this year, here and there, if it is not going to be used this year.

Mr. AYRES. The law reads for the Army, Navy, and Marine Corps, \$21,000,000.

Mr. KELLEY. I think that this \$150,000 you have left will undoubtedly handle you all right, and it is available until June 30, 1922.

Mr. AYRES. It says Marines, Naval, and Army, for that matter; that is, all three. Of course, that just refers to those buried over there in France during the war.

Mr. GIBSON. Just in that one area of France.

Mr. KELLEY. This is the sundry civil act for 1921:

Removal of remains from abandoned posts to permanent military posts or national cemeteries, including the remains of Federal soldiers, sailors, or marines interred in fields or abandoned private and city cemeteries, * * *, in all, \$21,549,000.

It is continued until June 30, 1922. That is the law of last year.

CARE OF HOSPITAL PATIENTS.

Mr. KELLEY. Admiral, the next item is for the care of hospital patients. You had an appropriation for 1921 of \$100,000 for this item, and you are asking for the same amount for 1922. How much could that be cut on a basis of 100,000 men?

Admiral STITT. Mr. Chairman, this is applied to the care of men given by civil hospitals, where we pay three, four, and even five dollars per day for people who are away from naval hospitals, people on recruiting duty, or who might be taken sick en route to some station which they had been ordered to. It is, in addition to that, to take care of the patients whose enlistments have expired while they have been in a hospital.

Mr. KELLEY. We never had an item like this before the war, did we?

Admiral STITT. No, sir.

Mr. KELLEY. Then why can we not drop this item now?

Admiral STITT. I do not know how we ever did pay for those cases before the war. We had no such appropriation.

Dr. GIBSON. The Navy was much smaller at that time and the cases did not arise frequently, although we transferred the men long distances to hospitals when we had to. Just a day or two ago we authorized a man in Kansas City to have a special operation performed. We would have tried to transfer that man to some naval hospital heretofore.

Admiral STITT. On foreign stations we had the greatest trouble, when people would get sick aboard ship and it would be necessary to send them to a hospital ashore.

Mr. KELLEY. How much have you spent so far this year?

Dr. GIBSON. We have not spent any of that so far this year. This includes "supernumeraries," and it will be calculated partly on the supernumeraries we have in naval hospitals at the end of the fiscal year, and then we will ask for a transfer from this appropriation to the naval hospital fund for the care of supernumeraries.

Mr. KELLEY. Why do you not carry your accounts along every month so you will know what you are doing. You may have a deficiency.

Dr. GIBSON. We will not have a deficiency under that.

Mr. KELLEY. How can you tell?

Dr. GIBSON. Because we will not ask for the transfer of more than there is in that appropriation.

Mr. KELLEY. Where will you pay the rest from?

Dr. GIBSON. The rest are being paid for out of the naval hospital fund.

Mr. KELLEY. This could be taken out of the other fund could it not, all of this amount?

Dr. GIBSON. There is no statutory authority for it.

Mr. KELLEY. How are you doing it?

Dr. GIBSON. We are doing it under the authority of a naval regulation, which has the effect of law, but is not statutory law. The naval regulations authorize us in connection with the discharge of men from the service—there is a clause in the naval regulations that states that when a man's enlistment expires while he is in a naval hospital he may be "retained for treatment." If his enlistment expires to-day and he is not able to be turned out of the hospital, he is discharged from the Navy, but retained in the naval hospital as a naval supernumerary. He may be retained for six months or even for a year.

Mr. KELLEY. What is the use of carrying this fund as a separate item?

Dr. GIBSON. We have got to get it as an appropriation somewhere to justify what we are doing. It would have to be a separate item wherever it is. It might be an item in another appropriation, but it would amount to the same thing. We have a great many supernumeraries in our hospitals and we have no law that authorizes us to retain them after their discharge from the service.

Admiral STITT. It sometimes takes three months or more in connection with a man who makes a claim for war-risk compensation before the papers can be passed through the various departments

and it is particularly necessary for the case to go through our Bureau of Medicine and Surgery to get his medical history, and during that time we can support him in a hospital until compensation is granted or until his case is adjudicated by the War Risk Insurance Bureau people.

Dr. GIBSON. That is a most valuable appropriation.

Mr. KELLEY. You said that this is not sufficient.

Dr. GIBSON. Our method of settling it is to allow it to go until toward the end of the fiscal year, because the expenses of the supernumeraries are being paid now out of the naval hospital fund. This is a reimbursement to the naval hospital fund for the care of men who did not contribute to the naval hospital fund and who are civilians and no part of the naval establishment.

Mr. KELLEY. Should not this read, "For the care, maintenance, and treatment of supernumeraries?"

Dr. GIBSON. It should read, "For the care, maintenance, and treatment of patients."

Admiral STITT. There would be naval patients in other than naval hospitals. For instance, any man at a recruiting station out west, where there was no naval hospital within several hundred miles, would be put in a civil hospital for treatment, and he would be a naval patient, but he would be in a hospital other than a naval hospital.

Mr. KELLEY. If you did not have this language at all could you not take care of supernumeraries?

Dr. GIBSON. We would continue to take care of the supernumeraries as we are now taking care of them, but without any authority of statutory law for doing it. We are covered, so far as we are concerned, by naval regulations, but not by any other law.

Mr. KELLEY. Part of this expense is paid contrary to law then; if the \$100,000 is not sufficient—and you do not know whether it will be or not—you go right on, and if the expense should amount to \$150,000, \$50,000 would be paid out of some other fund.

Dr. GIBSON. Out of the naval hospital fund.

Mr. KELLEY. Why could it not all come out of that?

Dr. GIBSON. We would like to have some authority for it.

Mr. KELLEY. The point is we do not like to have several funds. If you are going to make a special fund we would like that to be all. If you can use this \$100,000 and use as much as you like out of some other fund, there is no use in making it a special item.

Admiral STITT. The former Surgeon General told me, when I was discussing the estimates with him, that he considered this one of the most valuable appropriations. The wonder in his mind was how they got along before without it.

Capt. MURPHY. At one time in New York we had over 2,000 patients in civil hospitals, the payments for whom came under that part of the item which speaks of patients in other than naval hospitals.

Mr. KELLEY. The supernumerary is a man whose enlistment has expired and who is sick, and you keep him until he gets well?

Admiral STITT. Yes, sir.

Mr. KELLEY. How many of that kind of men are there at the present time carried in the hospitals?

Admiral STITT. There are 381 supernumeraries. Of course, out at Fort Lyon—

Mr. KELLEY (interposing). There is a special provision for Fort Lyon.

Admiral STITT. They would be supernumeraries just the same at Fort Lyon as at any other hospital. When their period of enlistment expires out there they cease to belong to the Navy and become supernumeraries.

Capt. MURPHY. A midshipman, for instance, who has tuberculosis and is required to resign becomes a supernumerary, because you can not force him out into the world on account of his condition. He must have some place where he can stay until he gets into a condition to work.

Mr. KELLEY. Is there any reason why there should be any special item for this, if, as Dr. Gibson says, it can be paid out of the fund for general expenses for maintaining hospitals?

Capt. MURPHY. If you put the language in another appropriation—

Mr. KELLEY (interposing). You are evidently using another appropriation now to help this fund out.

Dr. GIBSON. There is another appropriation from which we get the money, but if you put this item in there the amount would be the same.

Capt. MURPHY. Last year when the question of paying supernumeraries in the past was before the Committee on Naval Affairs, one of the members asked whether that expenditure was justified. Of course, this Navy regulation is law, under the general law.

Admiral STITT. As a matter of fact, as I understand, the naval hospital fund is obligated three months back; we have spent it all and have not had anything for three months.

Dr. GIBSON. It is overobligated now.

Mr. KELLEY. What do you mean by over obligated?

Dr. GIBSON. Our accounts are greater than our resources. We have expended all the money we have under the naval hospital fund.

Mr. KELLEY. That is a fund created within the Navy?

Dr. GIBSON. That is a fund created within the Navy; yes, sir. This item could not be put onto another appropriation by this committee.

Capt. MURPHY. I was called up to-day just before I came down here by the office of the Surgeon General of the Public Health Service in regard to an enlisted man at New Haven, Conn., who is there on furlough from Hampton Roads and who developed scarlet fever. He probably developed scarlet fever at Hampton Roads before he went up there on furlough. That man had to be placed in a hospital at New Haven and it happened that he went into a hospital that the Public Health Service has under contract in connection with taking care of War Risk patients, and they wanted to know whether they should pay his expenses, and incidentally whether we would reimburse them for those expenses. That man would be taken care of under this appropriation for treatment of patients.

Mr. KELLEY. If we give you this \$100,000, whatever else you get you get out of the other fund?

Dr. GIBSON. We will not come back for a deficiency. There are 381 of those patients, as Admiral Stitt told you, and the expense of those patients at \$1 a day would be \$139,000.

Mr. KELLEY. For how long a time?

Dr. GIBSON. We are asking for \$100,000 and will not ask for any more.

Mr. KELLEY. How long do these men stay in the hospitals? Until they are fully recovered?

Dr. GIBSON. It depends on when we can discharge them.

Capt. MURPHY. There was a great deal of criticism during the period of demobilization relative to the turning out of these individuals on the world before they could get compensation, for instance.

Mr. KELLEY. Your claim is that there is no law by which you can take care of them at the present time?

Capt. MURPHY. Of the supernumeraries, no, sir; except Navy regulations.

Mr. KELLEY. Strictly speaking, we could not put this in here, because we are only appropriating for projects authorized by law.

Mr. KELLEY. Have you authority under existing law to treat naval patients in hospitals other than naval hospitals?

Dr. GIBSON. I think so.

Mr. KELLEY. Are you sure about that?

Dr. GIBSON. I could not put my fingers on the statute.

Mr. KELLEY. Are you responsible for the paying out of this money?

Dr. GIBSON. The Surgeon General is responsible.

Mr. KELLEY. I know; but he trusts you with the handling of these funds.

Dr. GIBSON. Yes, sir.

Mr. KELLEY. Have you been paying out money for the care of patients in hospitals other than naval hospitals?

Dr. GIBSON. Yes, sir.

Mr. KELLEY. And you do not know what your authority is for doing it?

Dr. GIBSON. To the extent of a good many millions of dollars.

Mr. KELLEY. You do not know whether the law authorizes you to do that or not?

Dr. GIBSON. Congress authorized that.

Mr. KELLEY. When?

Dr. GIBSON. The provision is, "For care, maintenance, and treatment of naval patients, including supernumeraries, in naval and other than naval hospitals."

Mr. KELLEY. When was that?

Dr. GIBSON. That has been since the first appropriation.

Mr. KELLEY. Before the war did you ever keep naval patients in hospitals other than naval hospitals?

Dr. GIBSON. Yes, sir; we did. We got the first authority I know of 25 or 30 years ago in the case of Admiral Niblack, who was placed in a hospital in the Far East. We raised the question as to whether we could pay that hospital account and the comptroller decided it was an emergency and that the Navy Department was under obligations to furnish medical and hospital treatment; that there was no naval hospital there and we were authorized and directed to allow Admiral Niblack's claim for expenses in a civilian hospital.

Mr. KELLEY. Would that come under the head of a contingent expense?

Dr. GIBSON. Contingent expense will cover anything you want us to put into it.

Mr. KELLEY. What do they hold in the comptroller's office?

Dr. GIBSON. The comptroller decided that the naval hospital fund should bear that expense in the emergency; that is, that expense which was incurred in a civilian hospital.

Mr. KELLEY. Will you look that matter up, and put into the record showing just what legal authority you have for caring for patients in hospitals other than naval hospitals, and also what authority you have as a matter of law for caring for patients after their enlistments have expired. It might be that some legislation would be necessary to do either one of those things which seems like a very necessary or desirable thing to do. There ought to be law back of all that you do.

Dr. GIBSON. I think the naval regulations are law.

Capt. MURPHY. The bills have all been passed by the auditor.

Mr. KELLEY. That goes on from year to year.

Capt. MURPHY. There is a revised statute that gives officers and men reimbursement for expenses for medical attention and professional attention when on a duty status that covers everybody on detached duty. But where a man is on furlough that is not a duty status. We had a case at Falls Church, Va., not long ago. Somebody telephoned in that there was a boy on furlough who was sick out there, and they would like to have him taken care of. We had to advise them that we could not reimburse the expense, but we could do this, we could furnish an ambulance and bring him to our Washington hospital here, if he was able to travel, and that was what we did. But where an officer or a man is on a duty status that revised statute would cover his expenses at the civil hospital.

Mr. KELLEY. There is no other appropriation, except the money in the naval hospital fund, out of which an expense of this kind could be borne?

Dr. GIBSON. These supernumeraries do not contribute to the naval hospital fund.

Mr. KELLEY. It could not be paid out of your appropriation for the medical department?

Dr. GIBSON. No, sir.

Mr. KELLEY. Nor out of the contingent fund?

Dr. GIBSON. No, sir.

Capt. MURPHY. I might say that in the case of officers and men, they are having deducted from their pay 20 cents a month which goes into that fund, and that to a certain degree gives them a contractual right to medical attendance and hospital attendance.

Mr. KELLEY. That is, during their enlistment they contributed 20 cents a month for this purpose?

Capt. MURPHY. Yes, sir. In the case of enlisted men the articles of enlistment state that they are entitled to medical attendance.

Mr. KELLEY. After their enlistment expires?

Capt. MURPHY. No; I am speaking of people other than supernumeraries.

Mr. KELLEY. I am talking about the supernumeraries.

Dr. GIBSON. They contribute nothing.

Mr. KELLEY. But they have contributed?

Dr. GIBSON. They have contributed in times past.

Capt. MURPHY. Except in a few cases who may be picked up on the streets and taken in from a humanitarian standpoint.

Mr. KELLEY. You want the words "and of supernumerary patients who die in naval hospitals" kept in the item?

Dr. GIBSON. Yes, sir; we would like to have the privilege of shipping home the remains of supernumeraries who die at naval hospitals. For instance, an enlisted man goes into a hospital and dies, say, on the 30th of March and his enlistment expires on the 1st of April. We ship the body home. But if he dies on the 2d of April we can not ship the body home.

Mr. KELLEY. I wish you would put in the record a statement in regard to this contingent fund, showing how you propose to use this \$500,000, and also how you have used the money appropriated last year and the purposes to which it was applied, and then go back to 1916 and give us the purposes to which it was applied that year, having your statement correspond as closely as possible with the headings in the bill.

Dr. GIBSON. We will do that.

(The statement referred to is as follows:)

NOTE.—As there is little change in the language of these separate bills, I am using the same language in all three to make the comparison clear.

Contingent, Bureau of Medicine and Surgery.—For tolls and ferriages, \$500; care, transportation, and burial of the dead, including officers who die within the United States, and supernumerary patients who die in naval hospitals, \$60,000; purchase of cemetery lots, \$1,000; purchase of books and stationery, binding of medical records, unbound books, and pamphlets, \$50,000; hygienic and sanitary investigation and illustration, \$500; sanitary, hygienic, and special instruction, \$20,000, including the printing and issuing of naval medical bulletins and supplements, \$10,000; purchase and repair of nonpassenger carrying wagons, automobile ambulances, and harness, \$20,000; purchase of and feed for horses and cows, \$10,000; maintenance, repair, and operation of two passenger carrying motor vehicles for naval dispensary, Washington, D. C., and of one motor propelled vehicle for official use only for the medical officer on outpatient medical service at the Naval Academy, and a motor omnibus for the transportation of convalescent patients and attendants at the naval hospital at Las Animas, Colo., to be used only for official purposes, \$10,000; trees, plants, care of grounds, garden tools, and seeds, \$40,000; incidental articles for the Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, \$30,000; washing for medical department at Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, dispensaries at navy yards and naval stations, and ships, \$35,000; and for minor repairs on buildings and grounds of the United States Naval Medical School and naval medical supply depots, \$25,000; rent of rooms for naval dispensary, Washington, D. C., not to exceed \$1,200; for the care, maintenance, and treatment of the insane of the Navy and Marine Corps on the Pacific coast, including supernumeraries held for transfer to the Government Hospital for the Insane, \$5,000; for dental outfits and dental material, \$150,000; and all other necessary contingent expenses, \$33,000; in all, \$500,000.

Expenditures in detail, by clauses, as requested by Chairman P. H. Kelley, Member of Congress, at hearing of January 18, 1921, under naval bill for 1920.

Contingent, Bureau of Medicine and Surgery.—For tolls and ferriages, \$5,000; care, transportation, and burial of the dead, including officers who die within the United States, and supernumerary patients who die in naval hospitals, \$325,500; purchase of cemetery lots, \$27,046.25; purchase of books and stationery, binding of medical records, unbound books and pamphlets, \$89,500; hygienic and sanitary investigation and illustration, \$15,000; sanitary, hygienic, and special instruction, including the printing and issuing of naval medical bulletins and supplements, \$19,000; purchase and repairs of nonpassenger-carrying wagons, automobile ambulances, and harness, \$39,500; purchase of and feed for horses and cows, \$21,000; maintenance, repair, and operation of two passenger-carrying motor vehicles for naval dispensary, Washington, D. C., and of one motor-propelled vehicle for official use only for the medical officer on outpatient medical service at the Naval Academy, and a motor omnibus for the transportation of convalescent patients and attendants at the Naval Hospital at Las Animas, Colo., to be used only for official purposes, \$16,500; trees,

plants, care of grounds, garden tools, and seeds, \$225,000; incidental articles for the Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, \$85,500; washing for medical department at Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, dispensaries at navy yards and naval stations, and ships, \$35,000; and for minor repairs on buildings and grounds of the United States Naval Medical School and naval medical supply depots, \$108,000; rent of rooms for naval dispensary, Washington, D. C., not to exceed \$1,200; for the care, maintenance, and treatment of the insane of the Naval and Marine Corps on the Pacific coast, including supernumeraries held for transfer to the Government Hospital for the Insane, \$11,000; for dental outfit and dental material, and all other necessary contingent expenses, \$150,716.05; in all, \$1,000,000. Deficiency pending, \$172,292.30.

Expenditures, in detail, by clauses, as requested by Chairman P. H. Kelley, Member of Congress, at hearing of January 18, 1921, under Naval bill for 1916.

Contingent, Bureau of Medicine and Surgery.—For tolls and ferriages \$200; care, transportation, and burial of the dead, including officers who die within the United States, and supernumerary patients who die in naval hospitals, \$32,000; purchase of cemetery lots, \$150,00; purchase of books and stationery, binding of medical records, unbound books, and pamphlets, \$17,500; hygienic and sanitary investigation and illustration, \$300; sanitary, hygienic, and special instruction, including the printing and issuing of naval medical bulletins and supplements, \$6,000; purchase and repairs of nonpassenger-carrying wagons, automobile ambulances and harness, \$27,500; purchase of feed for horses and cows, \$13,000; maintenance, repair, and operation of two passenger-carrying motor vehicles for naval dispensary, Washington, D. C., and of one motor-propelled vehicle for official use only for the medical officer on out-patient medical service at the Naval Academy, and a motor omnibus for the transportation of convalescent patients and attendants at the Naval hospital at Las Animas, Colo., to be used only for official purposes, \$10,000; trees, plants, care of grounds, garden tools, and seeds, \$9,500; incidental articles for the naval medical school and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, \$13,000; washing for medical department at Naval Medical School and naval dispensary, Washington, naval medical supply depots, sick quarters at Naval Academy and marine barracks, dispensaries at navy yards and naval stations, and ships, \$20,500; and for minor repairs on buildings and grounds of the United States Naval Medical School and naval medical supply depots, \$500; rent of rooms for naval dispensary, Washington, D. C., not to exceed \$1,200; for the care, maintenance, and treatment of the insane of the Naval and Marine Corps on the Pacific coast, including supernumeraries held for transfer to the Government Hospital for the Insane, \$4,800; for dental outfit and dental material, and all other necessary contingent expenses, \$21,337.91; in all, \$142,000. Deficiency act, April 17, 1917, \$35,000. Deficiency pending, \$487.91.

Admiral STITT. In regard to one item I brought to your attention, which I said I considered was important for the advancement of our Medical Corps, the post graduate instruction, I would like you to be kind to that estimate and give it particular consideration.

Mr. KELLEY. Is there anything else you desire to tell the committee in regard to the Bureau of Medicine and Surgery?

Admiral STITT. I would like to bring up the fact that I understood the Committee on Naval Affairs when they were visiting the west coast were very much impressed with the need for an enlargement of hospital facilities in San Diego. Now, we have plans that would provide for a 150-bed hospital, and a plan by which a 500-bed hospital can be provided is one that would add about \$1,250,000, according to the estimates of the Bureau of Yards and Docks. The Bureau of Medicine and Surgery feels that that is a very important project, that at San Diego a 150-bed hospital is entirely inadequate for the fleet on that coast. Of course, we are now providing for 500 patients in temporary buildings, but probably in two or three years those buildings will be of no value to us.

Capt. MURPHY. Those buildings do not belong to the Navy; they are exposition buildings.

Mr. KELLEY. Is there anything else you desire to submit to the committee?

Admiral STITT. No, sir, other than what I referred to in regard to the matter of it being very important in our minds to repair the temporary buildings and that we would like to have \$350,000 for that purpose. The Secretary of the Navy a few days ago said he was willing for us to bring it up, although he felt he could not have it asked for in the estimates.

Mr. KELLEY. We are very much obliged to you, Admiral, for your help. I think that is all.

TUESDAY, JANUARY 18, 1921.

BUREAU OF CONSTRUCTION AND REPAIR.

STATEMENT OF REAR ADMIRAL DAVID W. TAYLOR, CHIEF OF BUREAU, ACCOMPANIED BY MR. H. C. BRUNER, CHIEF CLERK.

Mr. KELLEY. Gentlemen, we have with us this afternoon Admiral Taylor, Chief of the Bureau of Construction and Repair.

CONSTRUCTION AND REPAIR OF VESSELS.

Admiral, you had this year under the item for construction and repair of vessels, \$31,000,000. That is on the basis of 147,000 men. You asked for \$35,800,000 for 1922. On the basis of 100,000 men you are asking for \$31,400,000. That is practically the same that you had last year; \$400,000 more than you had last year.

Admiral TAYLOR. That is correct.

Mr. KELLEY. You have asked for the care and preservation of how many ships of the dreadnaught type?

Admiral TAYLOR. Seventeen in commission, sir.

Mr. KELLEY. And how many scout cruisers?

Admiral TAYLOR. Fifteen was the number on the original list. There are practically no scout cruisers on the new list.

Mr. KELLEY. Those are out?

Admiral TAYLOR. Except the new ones which we expect to be completed this summer.

Mr. KELLEY. And probably the repair on those will be very slight next year?

Admiral TAYLOR. It is nearly always the case in new ships that are just commissioned that there are large expenditures for alterations. Those expenditures in the first year are generally heavier than they are in the next two or three years.

Mr. KELLEY. How many new scout cruisers do you expect will be in commission by the 1st of July?

Admiral TAYLOR. By the 1st of July coming, none of the new ones.

Mr. KELLEY. How many during the year?

Admiral TAYLOR. We figured on the possibility of six, but I do not think we will get over three during the year.

Mr. KELLEY. When will those three come on?

Admiral TAYLOR. The first should be finished about September and the other two the last of the year or early in 1922.

Mr. KELLEY. How much would you expect to require on one of those scout cruisers for an entire year?

Admiral TAYLOR. We have not had much experience with them, but we figure it will probably cost in the neighborhood of \$100,000.

Mr. KELLEY. For one ship?

Admiral TAYLOR. For those in full commission; yes, sir. That includes direct and indirect charges. We have revised our methods of making estimates a year ago in the hope of making the estimate more scientific and took into account all expenditures in connection with the ships at a navy yard and also our quarterly money allotments. These figures we are talking about include general expense not charged to specific ships on the jobs on them.

Mr. KELLEY. So you think you would have three scout cruisers for part of the year?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. At the rate of about \$100,000 a year?

Admiral TAYLOR. Yes, sir; we have not the experience with these larger vessels. The only scout cruisers we have now are of 4,000 tons displacement. These are 7,500 tons.

Mr. KELLEY. How many destroyers?

Admiral TAYLOR. There are 96 in full commission. The original estimates were based upon 144, but in reducing the Navy to 100,000 men, 48 of those were put down as in reserve.

Mr. KELLEY. What is the expenditure on each of those ships?

Admiral TAYLOR. We figure on the same basis to keep a destroyer going during the year, about \$35,000 for a destroyer in full commission and for a destroyer in reduced commission about \$15,000, and for a destroyer out of commission about \$5,000.

Mr. KELLEY. You would have 96 in full commission; how many would you have in reduced commission?

Admiral TAYLOR. Two hundred and two.

Mr. KELLEY. And how many of the old ones would you have out of commission?

Admiral TAYLOR. There would be 23. It may be that in the final analysis some of those put down as in reduced commission will be put down as out of commission. Our details were based originally upon 143,000 men, and in making the reduction we got information from operations of the changes. They may have made some slight changes since then, but this is as close as we can estimate at the present time.

Mr. KELLEY. What about the submarines?

Admiral TAYLOR. There were no changes in submarines; 131 in commission.

Mr. KELLEY. Does that include those that have not yet been delivered?

Admiral TAYLOR. It includes a number of S boats; yes, sir.

Mr. KELLEY. Some of these boats will probably be delivered during the year?

Admiral TAYLOR. Some will be, but that delay will be extended very much so that we will not get as many as we expected in 1922.

Mr. KELLEY. You can make some reduction there!

Admiral TAYLOR. We can make some reduction there; yes, sir.

Mr. KELLEY. Do you know how many you will have this year?

Admiral TAYLOR. We are not able to estimate yet. We are taking the matter up very actively, and I should think there would be 25 or 30 certainly that would not be commissioned during the year which we had figured on.

Mr. KELLEY. And the estimate on those is about \$30,000 apiece?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. What defects did these new boats show? What is the trouble with them?

Admiral TAYLOR. There was some discussion before the Committee on Naval Affairs about that. The trouble is with torsional vibration of the shafting. I think Admiral Griffin can tell you about that. We will probably have to make the crank shafts larger. The Navy Department has ordered that that be done.

Mr. KELLEY. What about the destroyer tenders?

Admiral TAYLOR. One of those is going out of commission, leaving seven.

Mr. KELLEY. At a cost of how much?

Admiral TAYLOR. A destroyer tender we estimate about \$70,000 per year.

Mr. KELLEY. It would almost seem as though more than one could go out of commission if you reduce the number from 144 to 96.

Admiral TAYLOR. Those in commission will always need to have tender service, and I do not think they made any change as regards putting the destroyer tenders out of commission. The destroyer tender is a movable base of the destroyer.

Mr. KELLEY. A good many of the repairs are made and the tools are carried on this ship.

Admiral TAYLOR. Yes, sir. That is one reason why a destroyer tender is somewhat expensive.

Mr. KELLEY. It is a floating machine shop?

Admiral TAYLOR. Yes; and very economical in the end.

Mr. KELLEY. You have to have seven of those?

Admiral TAYLOR. That was the schedule, sir.

Mr. KELLEY. Is there only one of them at San Diego—or do you know where they are?

Admiral TAYLOR. I think there are two. There are several attached to the Pacific Fleet. They are equally divided between the Pacific and the Atlantic. I can not tell you just where they are at the present time.

Mr. KELLEY. What about the submarine tenders?

Admiral TAYLOR. One of those will go out from the original estimate.

Mr. KELLEY. That makes four at \$70,000 each?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. How large are these ships?

Admiral TAYLOR. The *Bushnell* is rather small, but the others are good sized vessels. The *Beaver* is a 6,000-ton vessel—5,970 tons, to be exact—and the *Camden* is a 9,000-ton vessel.

Mr. KELLEY. They would be about 300 feet long?

Admiral TAYLOR. The *Beaver* is 380 feet long and the *Camden* is 403 feet long. The *Savannah* is about a 10,000-ton ship and the *Rainbow* is a 4,360-ton ship and 300 feet long.

Mr. KELLEY. What about the submarine tenders, shore based?

Admiral TAYLOR. Those are small tenders for the submarines operating from various shore points.

Mr. KELLEY. Are there any of those at Key West?

Admiral TAYLOR. Yes, sir; there is one.

Mr. KELLEY. You do not know anything about the project at Key West?

Admiral TAYLOR. No, sir.

Mr. KELLEY. That is a Yards and Docks project, still?

Admiral TAYLOR. That is still Yards and Docks, I believe. Those are not regular tenders; those are small boats in each case.

Mr. KELLEY. It will take those seven to handle the submarines although the number is reduced?

Admiral TAYLOR. I think so. I see that operations has made no change.

Mr. KELLEY. What about the fleet repair ships?

Admiral TAYLOR. There are three of those. There is no change in that.

Mr. KELLEY. Those are large ships?

Admiral TAYLOR. Yes, sir. Two of them are of 12,588 tons displacement.

Mr. KELLEY. How long have we had those repair ships?

Admiral TAYLOR. They were converted during the war. They were built originally as colliers at Mare Island, and they were converted during the war. I think one of them was converted just before the war.

Mr. KELLEY. They go right along with the fleet?

Admiral TAYLOR. They go with the fleet; yes, sir.

Mr. KELLEY. What about the hospital ships?

Admiral TAYLOR. The *Mercy* and the *Relief* are still slated to be in commission. You can not have less than one with each fleet very well.

Mr. KELLEY. Are those new ships?

Admiral TAYLOR. The *Relief* is a new ship. The *Mercy* was converted during the war from a liner.

Mr. KELLEY. Do you think you need as much as \$105,000 for repairs on the new ships?

Admiral TAYLOR. If we can judge by the experience of the past—there are always lots of things to be made good in the first six months, things which on a three or four million dollar ship are obviously necessary. We find that the bureau has need to do a good deal of work on those ships.

Mr. KELLEY. There will be certain weaknesses developed after the ship is accepted.

Admiral TAYLOR. The question of changes is always with us, but we can reduce them to minimum.

Mr. KELLEY. You can regulate that pretty well?

Admiral TAYLOR. The pressure to make certain changes where there are such obvious improvements that can be made, we have to meet.

Mr. KELLEY. This hospital ship is a real success, is it?

Admiral TAYLOR. Yes, sir; so far as we know. The hospital ship seems to be very popular with the fleet. They carry all the facilities

of a first-class shore hospital. I do not think the fleet would be satisfied without them now.

Mr. KELLEY. All this upkeep of these ships is borne by the Navy outside of the Bureau of Medicine and Surgery?

Admiral TAYLOR. Yes, sir; except the hospital things proper, such as medicines and supplies. They are handled just as any other ship.

Mr. KELLEY. I mean the repairs?

Admiral TAYLOR. They are all charged to the regular appropriation.

Mr. KELLEY. Through your bureau and Admiral Griffin's bureau?

Admiral TAYLOR. Yes, sir; just as in the case of any other ship.

Mr. KELLEY. What about the supply ships?

Admiral TAYLOR. Those will be reduced. The proposition is to reduce them from six to four during the year.

Mr. KELLEY. Those are the ships that carry the food and clothing and all the supplies?

Admiral TAYLOR. Yes; and they are fitted with refrigerating plants. They belong to the train.

Mr. KELLEY. That is more or less of a mathematical proposition; if you have a certain number of men afloat it will take a certain amount of food to feed them and you have to carry that along.

Admiral TAYLOR. The *Bridge* was only recently commissioned, finished just before the war. Apparently, she is very successful.

Mr. KELLEY. Do these ships have about the speed of the fleet, or do they run more slowly?

Admiral TAYLOR. They are converted merchantmen, and they run more slowly. The *Bridge* is a little bit faster, being a 14-knot ship. The rest run from 10½ up to 12 knots. The *Culgoa* is rated a 13½-knot ship, but I do not think she makes that now. She did make it once upon a time.

Mr. KELLEY. There are four of those at \$70,000 each for repairs?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. What about the target repair ships?

Admiral TAYLOR. Those are in connection with the targets of the fleet. They are a part of the train and are with the fleet all the time.

Mr. KELLEY. And the radio repair ship goes along with the fleet?

Admiral TAYLOR. She works for another bureau, but we have to take care of her.

Mr. KELLEY. What bureau does she work with?

Admiral TAYLOR. The radio is practically all under the Bureau of Steam Engineering.

Mr. KELLEY. What about the aircraft tenders? What ships are we using for aircraft tenders?

Admiral TAYLOR. We are using improvised ships that were originally mining ships. This estimate is based on the Wright and the type B. We have not got the type B and the Wright will be finished by the end of the year.

Mr. KELLEY. One of those will come out?

Admiral TAYLOR. Yes, sir. We will continue the temporary ship we are using.

Mr. KELLEY. Will it cost as much?

Admiral TAYLOR. It probably will not cost as much as the type B; it is a smaller ship.

Mr. KELLEY. You have taken that into account in the statement you have attached?

Admiral TAYLOR. Yes, sir; it will only be a few thousand dollars.

Mr. KELLEY. What about the aircraft carrier?

Admiral TAYLOR. That is the *Langley*. She is the converted *Jupiter*, which is being converted now, and we expect her to be finished before the end of this fiscal year.

Mr. KELLEY. So she will be in by July 1?

Admiral TAYLOR. We are very anxious to get her and give her a thorough trial and workout.

Mr. KELLEY. What about the mine layers?

Admiral TAYLOR. Those are the mine layers attached to the fleet but they are being used temporarily with the aircraft.

Mr. KELLEY. What about the mine sweepers? How many of those are you going to keep?

Admiral TAYLOR. Those are the vessels we built during the war. They figured on 47 during the year, 24 for use with the mine force, and in the revision 12 of those will be placed in reserve. We ordered 54 mine sweepers to be built during the war. They are really large tugs with special appliances for mines, and they have been very successful. They worked very well in the North Sea getting up the barrage mines.

Mr. KELLEY. What about the colliers?

Admiral TAYLOR. Originally there were 12 colliers, but 4 of those will be put out of commission, leaving 8. The 4 going out of commission are the older ones and the smaller ones, and the larger colliers will stay in, according to the estimate.

Mr. KELLEY. Where do the oil-burning dreadnaughts start, with what ship?

Admiral TAYLOR. With the *Arkansas*, I think.

Mr. KELLEY. From the *Delaware* to the *Arkansas* they are coal-burners?

Admiral TAYLOR. Yes, sir. The ships in the fleet we sent abroad were all coal burners. I think the latest one of those is the *New York*. I will put in the record exactly where that list begins.

Mr. KELLEY. There will be five or six of those?

Admiral TAYLOR. Oil burners?

Mr. KELLEY. Coal.

Admiral TAYLOR. Yes, sir. The first-line ships still burning coal are the *Arkansas*, the *Wyoming*, the *Delaware*, the *Florida*, the *New York*, the *Texas*, the *North Dakota*, and the *Utah*. The *Texas* is the latest. On the next one we shifted to oil. That was the *Nevada*.

Mr. KELLEY. The others are oil burners?

Admiral TAYLOR. The others are oil burners; yes, sir.

Mr. KELLEY. What about the oilers?

Admiral TAYLOR. Fourteen were put down originally, and four of them are slated to be put out of commission.

Mr. KELLEY. Those are the ships you commonly speak of as tankers?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. How much oil does a dreadnaught require with the usual amount of steaming, by the month, or annually?

Admiral TAYLOR. I could not tell you that. I have to provide the space for the oil, and after we provide the bunkers we do not know

what they do with it. The capacity of a battleship is something over 2,000 tons.

Mr. KELLEY. The larger tankers, such as the Shipping Board has been building, are something like 10,000 tons?

Admiral TAYLOR. Ten thousand tons dead-weight capacity. Those 12 that we built for the Shipping Board vary from 9,500 to about 11,000 tons.

Mr. KELLEY. It would be better, I suppose, if the tankers that belong to the Navy were of that type—large ships—or is the smaller one advantageous?

Admiral TAYLOR. The larger ship is preferable, as a rule. The type which we built before the last lot were of 7,500 tons' capacity, so none of them are really small, except the *Arethusia*, which is 4,450 tons. She has been kept in service a long time. She carries gasoline line also.

Mr. KELLEY. Do you think there is some advantage in having a reserve of oil for the Navy; large reserves and tanks on land?

Admiral TAYLOR. I think there is a great advantage in two points. In the first place you have it when you want it, and in the second place if you have a fairly large tank capacity you will not be so much at the mercy of the variations of the market. The price of oil seems to be particularly erratic, and it is either uncontrolled or too well controlled at times. If you do not have to go into the market and purchase under ordinary conditions, you have an advantage. In time of war the Navy did not suffer much from that, because the Navy commandeered oil. I suppose we will not be able to do that in 1922 and thereafter.

Mr. KELLEY. You do not know much about the present storage on land?

Admiral TAYLOR. No, sir. The land storage is cheaper than storage afloat.

Mr. KELLEY. Unless you had to have both.

Admiral TAYLOR. We have to have a certain amount of floating capacity. The land does not travel around.

Mr. KELLEY. I presume that the first thing to specify in the Navy would be a proper demand for floating storage or tankage?

Admiral TAYLOR. That is essential, because that enables your fleet to move around.

Mr. KELLEY. If you are going far from home, those tankers would furnish the supply, and it would be better to have some surplus of those and not quite so much on shore, I suppose. If we were planning on doing one or the other, probably the floating tankage would be to better advantage, would it not?

Admiral TAYLOR. You are getting into questions of high strategy that are over my head.

Mr. KELLEY. What about transports and cargo ships? How many transports are you planning to keep in commission?

Admiral TAYLOR. The revised estimate leaves eight.

Mr. KELLEY. Are those to take the marines to Guam?

Admiral TAYLOR. The *Henderson* is the marine transport, primarily. Most of the others are small vessels. Some of them are running to the West Indies. There is one running which I hate to see running. That is the *Hancock*.

Mr. KELLEY. What is the necessity for so many transports now?

Admiral TAYLOR. I can not speak as to that, but I know apparently they have need for them. They are trying to get some transports from the Army.

Mr. KELLEY. Do they carry freight from the Atlantic around to the Pacific?

Admiral TAYLOR. Yes, sir; to some extent.

Mr. KELLEY. They carry freight to Hawaii for new construction, and all that kind of thing.

Admiral TAYLOR. There is not much new construction, but they also have to go to the Philippines. We need a service out there.

Mr. KELLEY. How many do you want?

Admiral TAYLOR. We would like to have four; that would be sufficient.

Mr. KELLEY. How do the cargo ships differ from the supply ships?

Admiral TAYLOR. The supply ship is supposed to carry provisions and supplies for the fleet and all that kind of thing, and the cargo ships have not got facilities for refrigerating, and all that kind of thing. There is no other essential difference between them.

Mr. KELLEY. The supply ship would probably have refrigeration, and the others would carry other kinds of freight?

Admiral TAYLOR. They are all freight vessels.

Mr. KELLEY. How many cargo ships are you planning to keep in commission next year?

Admiral TAYLOR. Those were included in the transports. There are eight of them all told. Those are rather small. The *Beaufort* is only 288 feet long. She is one of those expected to be kept in commission. The cargo ships range from 3,300 tons to about 10,000 tons. The *Newport News* was formerly a German ship. She is the largest, being 10,000 tons displacement. The *Long Beach* was also formerly a German ship.

Mr. KELLEY. Before the war the Navy did not run many transports anywhere, did they?

Admiral TAYLOR. Yes, sir; we had a certain amount of transport service. The *Hancock* at one time used to do a great deal of transport work. Immediately before the war we were doing very little of it. For the Philippine work we relied entirely upon the Army, but I understand now they are figuring on very little help from the Army. We have been running for the last two or three years a regular service to the West Indies.

Mr. KELLEY. Where does that go?

Admiral TAYLOR. It goes to the marines in Haiti and Santo Domingo, primarily.

Mr. KELLEY. I suppose nearly all of the transport business for the Navy would be Marine Corps work?

Admiral TAYLOR. Not all of it. There is a good deal of transport work between here and the west coast, with the fleet out there. It is cheaper to transport by water, and up to until very recently it was a good deal shorter and quicker.

Mr. KELLEY. The transport is a vessel that is equipped primarily for carrying troops?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. It has some freight capacity, I suppose?

Admiral TAYLOR. It will carry a good deal of freight. On the final list we have only three transports, one which has never been built. She is one of the 3-year program ships which has not been ordered, and then we have the *Hancock* and *Henderson*.

Mr. KELLEY. Whatever may be said about the military wisdom of the division of the fleet, it has caused a considerable increased expenditure?

Admiral TAYLOR. It causes some increased expenditure without any doubt.

Mr. KELLEY. Perhaps it is necessary that some of it should have been made, but all those stations on the Pacific have to be developed for the ships, navy yards built up, etc.

Admiral TAYLOR. There is great complaint from the yards in the East that we are taking work away from them and reducing their allotment, which we had to do to enable the western work to be taken care of.

Mr. KELLEY. These yards are bound necessarily to come down with the division of the fleet, the expense of everything goes up because you have to take the men around on the transports now instead of going on the ships that they were assigned to.

Admiral TAYLOR. Not always. Of course, before the war we had comparatively little development in the Pacific. During the war we had no fleet there worthy of the name.

Mr. KELLEY. I am not intimating that it is not proper to do that, but it does somewhat tend to increase the cost of the Navy pretty considerably?

Admiral TAYLOR. It undoubtedly tends to increase the cost of the Navy. It is practically impossible that it should not.

Mr. KELLEY. If you did not do it you would not need, as a matter of taking care of the Navy, to develop all those stations on the Pacific, but the question as to whether they ought to be developed is another matter.

Admiral TAYLOR. There is another factor which ought to be considered. The Navy has largely increased in the last two or three years, and with the stations we have now, we are hard put to it to take care of them, particularly for wharfage and that kind of thing, and there would have to be a good deal of that kind of development done at the eastern yards if the Navy were all in the Atlantic. I believe I was one of the people who got something started at Norfolk in the way of water-front development, and at that time we figured out the length of the ships and the length of the berth space we had in the Navy and I do not think we had at all our stations a third of the berth space needed to take all the ships. Of course they would not all be at the station at once, but there would be some relation between the berthing capacity and the number of ships.

Mr. KELLEY. What should that be? The question has been presented once before.

Admiral TAYLOR. I would hate to name it. I know when we have three or four ships abreast at navy yards, as we have had them at Norfolk repeatedly, it is not either the economical or the proper method of doing work. If we were to ask for berthing space for half of the length of the Navy you would be staggered at the figures.

Mr. KELLEY. I dare say we would. That question would necessarily be reviewed in determining what to do with some of these

ships that take up so much room, the ships which are getting quite old.

Admiral TAYLOR. Yes; but the old ships will be gotten rid of in a few years, I presume.

Mr. KELLEY. The next is ammunition ships. There are only two of those.

Admiral TAYLOR. These take the ammunition around, and I think at present, out on the west coast, one of those ammunition ships is virtually a magazine.

Mr. KELLEY. The next is the flagships on the foreign stations. Now we are getting to \$160,000 on a ship. What ships are those that we are spending that much on?

Admiral TAYLOR. The *Pittsburgh*, the *Huron*, and the *Olympia*.

Mr. KELLEY. When were they built?

Admiral TAYLOR. The *Olympia* was completed and tried in 1893. She was Dewey's flagship at Manila. The *Pittsburgh* was formerly the *Pennsylvania*, an armored cruiser.

Mr. KELLEY. That was the forerunner of the battle cruiser?

Admiral TAYLOR. Yes, sir; the armored cruisers were very fashionable at one time. The *Huron* was formerly the *South Dakota*. They were authorized in 1899 or 1900, that group of ships.

Mr. KELLEY. Twenty-one years ago, or such a matter. Is that the best we can do to keep those old ships out there, \$160,000 apiece for repairs?

Admiral TAYLOR. They are expensive ships, but we have to have something for the foreign stations, and I presume that Operations would not want to loan a battleship flagship for that work. The *Pittsburgh* is now the one on the European stations.

Mr. KELLEY. When you get those three scout cruisers, would they not be all right for flagships?

Admiral TAYLOR. No, sir; they are not large enough. Those scout cruisers are nothing but big destroyers, practically. They have a speed of 35 knots, they are full of machinery, and they are virtually big destroyers.

Mr. KELLEY. You do not know what the necessity is for having a flagship in these Asiatic waters?

Admiral TAYLOR. No, sir.

Mr. KELLEY. It has not any real fighting possibility?

Admiral TAYLOR. We have to have some ships out there. The *Pittsburgh* has recently necessitated a little extra expense. She got ashore up the Baltic, and we just finished repairing her at an English dockyard.

Mr. AYRES. What particular benefit, outside of being flagships, are these two ships, the *Olympia* and the *Pittsburgh*?

Admiral TAYLOR. The *Olympia* is very old now. She has very little fighting value. She was the last protected cruiser we built. The *Pittsburgh* and the *Huron* are also quite old. She was first commissioned in 1908. She was the last of those armored cruisers.

Mr. AYRES. The *Olympia* was commissioned in 1893?

Admiral TAYLOR. The *Olympia* was finished in 1893, yes, sir.

Mr. AYRES. Well, Admiral, they are not of any particular benefit to the navy at this time, are they?

Admiral TAYLOR. They have very little fighting value, but we have very few ships of fighting value on these stations. We have a number of vessels on those stations.

Mr. AYRES. Could they not convert a fighting ship into a flagship just as well?

Admiral TAYLOR. I think that the probability is that on this 100,000-man basis we will replace some of those old ships.

Mr. KELLEY. Why would it not be a good idea, Admiral, to abolish that flagship and put the Admiral on shore at Manilla, and have him the directing principal of that region of the world and all the small craft, without putting \$160,000 into the repair of this ship, and taking 600 men out of the navy?

Admiral TAYLOR. I overlooked for a moment, Mr. Chairman, the fact that the *Pittsburgh*, *Huron*, and *Olympia* were put down under the 143,000-men basis, but in the revision apparently it was contemplated to replace them by some of the older battleships, such as the *Florida*.

Mr. KELLEY. That would seem like a very wise and sensible move.

Admiral TAYLOR. That would put the *Olympia* out of commission. The *Olympia* was out of commission at one time.

Mr. KELLEY. That would reduce this expense.

Admiral TAYLOR. It would not reduce the revised estimate; it would reduce the original estimate. I did not notice the pencil figures changing the original estimate.

Mr. KELLEY. You have taken these older ships out, and then the older of the dreadnaughts can go out?

Admiral TAYLOR. The *Utah* and the *Florida*.

Mr. KELLEY. That sounds like a most sensible arrangement. That releases how many men for that purpose?

Admiral TAYLOR. It sends those men from the fleet to that place.

Mr. KELLEY. It will release how many men?

Admiral TAYLOR. One thousand nine hundred and eighty-one were put down for those three ships originally.

Mr. KELLEY. It will take care of at least two of the dreadnaughts that can go out.

Admiral TAYLOR. Of course, neither the *Utah* nor the *Florida* are quite as well fitted for flagships, but that is a detail.

Mr. KELLEY. What is the difference?

Admiral TAYLOR. They were not designed originally to carry as large a complement or flag outfit, but there is not any great difference.

Mr. KELLEY. What does a flagship carry? Just what is the organization of a flagship?

Admiral TAYLOR. It depends upon the kind of flagship. We have fleet flagships, squadron flagships, and division flagships.

Mr. KELLEY. Let us take the Asiatic affair.

Admiral TAYLOR. The principal difference is that they have extensive accommodations for the admiral and his staff, and that has been steadily growing of late years. We find that the admiral has to have quite a large staff in order to administer and look after his fleet. There are constantly new jobs arising, for instance, radio. After so long a time the admiral needed a radio officer. There is a real need for those people.

Mr. KELLEY. The next is patrol craft, 17 patrol craft.

Admiral TAYLOR. Those are the gunboats.

Mr. KELLEY. How many do you propose to keep?

Admiral TAYLOR. Fifteen, in the event that the *Chatanooga* and the *Denver* go out.

Mr. KELLEY. They are what size ships?

Admiral TAYLOR. Those vary from about 1,200 tons to about 3,600 tons.

Mr. KELLEY. Do they include any eagles?

Admiral TAYLOR. Nothing as small as that. The *Monocacy* and the *Palos* are small, but those are river gunboats in China, and the *Niagara* is also quite small.

Mr. KELLEY. Do you not think that is quite a large patrol force?

Admiral TAYLOR. They are doing various jobs at various places. For instance, you see there the *Dolphin*. She is put down as a patrol vessel. She is at present the flagship for a squadron in South America.

Mr. KELLEY. That makes your repair bill pretty nearly \$700,000 for these small craft. Are they mostly along the Mexican border and China?

Admiral TAYLOR. They are in the West Indies and South America and Mexico, and some in China. They are the gunboats.

Mr. KELLEY. These amounts that you speak of are the amounts required on the repairs of the hull?

Admiral TAYLOR. Yes, sir; the hull, equipage, and construction and repair work generally.

Mr. KELLEY. The machinery items for these same ships would run about the same amount, would they not?

Admiral TAYLOR. In most of them I think the machinery would be somewhat less; in a few of them the machinery would be probably more. Admiral Griffin has that figure.

Mr. KELLEY. It would seem, offhand, as though the reverse would be true, that it would take more money to keep the machinery up than it would the hull. Will you explain what comes under hull repairs?

Admiral TAYLOR. The hull repairs include all of the living quarters, all of the ventilation provision, the pumping and drainage, the storage of everything in the world, and the hull auxiliaries, including the steering gears and the windlass. We take care of the turret-turning gear, and also the ammunition hoists, except the turret ammunition hoists which are attached to the guns. The hull and hull auxiliaries include a good deal of machinery.

Mr. KELLEY. What does machinery include, the boiler room?

Admiral TAYLOR. The machinery includes primarily the propelling machinery, and it also includes the electric generating plant and wiring, and such matters as radio and some of the internal communication.

Mr. KELLEY. The next item is survey ships. What are they?

Admiral TAYLOR. Those are out under the new program. No, I beg pardon; two of them are out. Those are doing survey work in the West Indies. Those are the *Hannibal* and the *Paducah*.

Mr. KELLEY. For the Hydrographic Office?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. Those are small ships?

Admiral TAYLOR. The *Hannibal* is an old merchant ship, and the *Paducah* is an old gunboat.

Mr. KELLEY. \$40,000 a year for each one of them?

Admiral TAYLOR. There is a good deal of wear and tear on them.

Mr. KELLEY. Fish Commission ships. Are they to be commissioned under this last arrangement?

Admiral TAYLOR. I do not see that they are cut out. They were not cut out. The *Albatross* is on the Pacific. The *Fish Hawk* is a very small thing. Those are vessels that were taken over from the Fish Commission during the war.

Mr. KELLEY. Have you still got those?

Admiral TAYLOR. They are still being operated by the Navy, apparently. We do not have them on our list, because they do not belong to the Navy, but we have to take care of them.

Mr. KELLEY. You took them over during the war and have not turned them back yet?

Admiral TAYLOR. No, sir.

Mr. KELLEY. If they were with the Fish Commission, would you have to repair them?

Admiral TAYLOR. No, sir.

Mr. KELLEY. Why not turn those back?

Admiral TAYLOR. I am not informed as to the reason why operations wished to hold on to them.

Mr. KELLEY. If the Fish Commission wants them, they can have them, as far as you are concerned, Admiral?

Admiral TAYLOR. I think that as long as the war is over they have the right to claim them, but I am not sure whether they want them. They are pretty hard up too, I believe.

Mr. KELLEY. They would rather have you keep them a year and fix them up?

Admiral TAYLOR. The *Albatross* is a very nice little vessel. The *Fish Hawk* is a small thing, but the *Albatross* can do good work. I expect the *Albatross* is working up in the Bering Sea.

Mr. KELLEY. The next item is station craft, 13 station craft. What vessels are those?

Admiral TAYLOR. The *Mayflower* and the vessels we have at Guantanamo, and such places.

Mr. KELLEY. Where do the tugs come in on this list, or does that include all the tugs?

Admiral TAYLOR. That includes about all the tugs, except those which were back here. We had a number of mine sweepers and sea-going tugs.

Mr. KELLEY. What about the yard tugs? Do you repair those?

Admiral TAYLOR. Yes, sir; we repair everything that floats.

Mr. KELLEY. Are there not a large number of yard tugs that are attached to the yards?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. I do not see those in here.

Admiral TAYLOR. There are not very many large tugs attached to the yard especially. There are a number of vessels attached to the various districts, the yard draft, that are not carried on the Navy Register.

Mr. KELLEY. They are repaired just like a tool in the yard?

Admiral TAYLOR. Like a tool, but they are repaired out of our appropriation. You will find we include an estimate for yard craft.

Mr. KELLEY. Where is that in here? I do not see it.

Admiral TAYLOR. Station craft, \$500,000, half-way down the page, sir.

Mr. KELLEY. On the first page?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. That comes under the head of shore activities?

Admiral TAYLOR. The dividing line is a little indefinite between shore and afloat activities.

Mr. KELLEY. That makes the total of how many vessels, under the revised figures?

Admiral TAYLOR. Eight hundred and twenty-two vessels.

Mr. KELLEY. Have you the total of how many million dollars that makes? Have you got the figure there?

Admiral TAYLOR. Yes, sir; for the fleet, \$25,700,000.

Mr. KELLEY. For full commission? You have not got that?

Admiral TAYLOR. \$19,000,000 for full commission for the actual fleet.

Mr. KELLEY. Even?

Admiral TAYLOR. Yes, sir. You have that, have you not?

Mr. KELLEY. Not the revised estimate. This is the original estimate, which was \$24,350,000 before you made these changes. That makes \$19,000,000?

Admiral TAYLOR. \$19,000,000, and the reduced commission, \$4,600,000.

Mr. KELLEY. Give us the reduced commission in detail. What is this experimental ship?

Admiral TAYLOR. That ship has not yet been designated.

Mr. KELLEY. You are sure you are going to have it?

Admiral TAYLOR. We have asked for it, and the department has allowed it.

Mr. KELLEY. What is the idea of it?

Admiral TAYLOR. The idea of it is that it is not for the Bureau of Construction and Repair only and primarily, but to try out a number of new developments generally. We find it is very hard to get the active fleet to take an interest in some of this development work.

Mr. KELLEY. And you intend to take one of your old ships and fit it up?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. How many predreadnaughts will you have under the reduced commission?

Admiral TAYLOR. Two. I should say that this reduced commission is in addition to those which we went over first, which showed the reduction. This is the original reduced commission schedule. I will straighten all of this out in the record.

Mr. KELLEY. I wish you would.

Admiral TAYLOR. In fact, I can put in the total showing the whole thing, if you have not got it already. I presume you have it already.

Mr. KELLEY. Will you put in the total showing the old original figures based on 143,000 men?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. And then based on 100,000?

Admiral TAYLOR. Yes, sir.

(The statement referred to follows:)

Vessels and status.	Number of vessels.		Vessels and status.	Number of vessels.	
	Original.	Revised.		Original.	Revised.
Full commission:					
Dreadnaughts.....	18	16	Reduced commission—Contd.		
Cruisers (scout).....	11	6	Mine sweepers.....	6	18
Destroyers.....	144	96	Hospital ships.....	2	.....
Submarines.....	131	131	Total ships, reduced commission.....	213	271
Destroyer tenders.....	8	7	Out of commission:		
Submarine tenders.....	5	4	Battleships.....	22	2
Submarine tenders (shore based).....	7	7	Predreadnaughts.....	22	15
Fleet-repair ships.....	3	3	Cruisers.....	15	20
Hospital ships.....	2	2	Destroyer tender.....	1	1
Supply ships.....	6	4	Submarine tender.....	1	1
Target-repair ships.....	2	2	Supply ships.....	2	2
Radio-repair ship.....	1	1	Colliers.....	4	4
Aircraft tenders.....	2	2	Oilers.....	4	4
Aircraft carrier.....	1	1	Transports and cargo ships.....	5	5
Mine layers.....	2	2	Flagship.....	24	24
Mine sweepers.....	47	35	Gunboats.....	5	5
Colliers.....	12	8	Monitors.....	7	7
Oilers.....	14	10	Submarines.....	73	73
Transports and cargo ships.....	13	8	Destroyers.....	2	2
Ammunition ships.....	2	2	Hospital ships.....	2	2
Flagships (foreign stations).....	3	2	Patrol craft.....	2	2
Patrol craft.....	17	15	Survey ships.....		
Survey ships.....	4	2	Total ships out of commission.....	146	170
Fish Commission ships.....	2	2	SUMMARY.		
Station craft.....	13	13	Full commission.....	470	381
Total ships full commission.....	470	381	Reduced commission.....	213	271
Reduced commission:			Out of commission.....	146	170
Experimental ship.....	1	1			
Predreadnaughts.....	2	2			
Destroyers.....	154	202			
Submarines.....	8	8			
Eagles.....	40	40			
				829	822

Mr. KELLEY. Now, I was wondering about these smaller craft that are in reduced commission. There are 40 of those boats called the eagles. I suppose, of course, they have to be, but why could not those be put out of commission entirely rather than in reduced commission?

Admiral TAYLOR. That will put 19 out of commission entirely.

Mr. KELLEY. They take how many men, about 100?

Admiral TAYLOR. Sixty-one is the complement of the eagles.

Mr. KELLEY. What is the reduced commission?

Admiral TAYLOR. About 25 each. They are utilizing a number of them for various purposes, and they can be utilized as gunboats to a small extent.

Mr. KELLEY. That makes \$4,600,000 for those that are in reduced commission, 213 ships. Do you feel, Admiral, that it would do those destroyers any great harm if some of those that are in reduced commission were taken care of by a smaller crew still than is provided here?

Admiral TAYLOR. These small crews do vary little on these boats. The destroyer deteriorates tolerably fast. Our part of it does not deteriorate quite as rapidly as the machinery, but a destroyer 300 feet long and displacing 1,200 tons is not a very small boat, and it takes a good many men to keep her in order.

■ Mr. KELLEY. If you had 20 men on a destroyer of that size, nothing would happen to the hull or equipment, would there?

Admiral TAYLOR. If we had all first class, trained, competent mechanics, they could probably keep her in order, but under the circumstances existing in the Navy to-day that can not be.

Mr. KELLEY. If you had 20 good men, that would save considerable money. You are going to spend \$15,000 on each of these destroyers and Admiral Griffin will spend as much more, and then the Bureau of Ordnance has got an estimate in here to fix those ships.

Admiral TAYLOR. The Bureau of Ordnance will not have very much to do on the ships. They have to take care of the batteries and the torpedoes.

Mr. KELLEY. They are changing the fire control on all these new destroyers.

Admiral TAYLOR. Yes. That is not a question of maintenance; that is a question of—

Mr. KELLEY. What do you call that?

Admiral TAYLOR. That is a question of improvement and alteration. The development of fire control for the destroyers, as I recall it, was one of the later developments of the war.

Mr. KELLEY. That would not come up under the head of a repair or maintenance charge?

Admiral TAYLOR. Not in the ordinary sense of the word.

Mr. KELLEY. That is the fund they get it out of.

Admiral TAYLOR. All of our alterations are paid for out of the general fund.

Mr. KELLEY. Maintenance?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. We will discuss that a little later.

Now, we will take the ships out of commission. Take the predreadnaughts. How many are there of those? Just give the history of them before we go into it.

Admiral TAYLOR. Those are battleships 1 to 22.

Mr. KELLEY. Will they be increased any?

Admiral TAYLOR. I think not, sir.

Mr. KELLEY. \$35,000 apiece for 22 makes \$770,000.

Admiral TAYLOR. The later ones of the predreadnaughts, you see, of the *Louisiana* class, two of those, the *Connecticut* and the *Minnesota*, I think, were in reduced commission. The 5 vessels of the *Rhode Island* class and 5 of the *Connecticut* class, those 10 vessels still have a good deal of military value. Of course, as you go on down the list they are arranged there in reverse order, so to speak, and as you go on down the list they get—

Mr. KELLEY (interposing). What do you do to the predreadnaughts that are out of commission that takes \$35,000?

Admiral TAYLOR. Once a year we have to look after them, to go through them, and test the ventilators and the drainage, and that kind of thing; go through the water-tight doors—there is a constant expense always on a vessel of that size in order to keep it operative.

Mr. KELLEY. Do you have a permanent force on each ship?

Admiral TAYLOR. We generally have a force which goes from ship to ship. There have to be a few men on the ship, the keepers of the ship.

Mr. KELLEY. These are nearly all up at League Island?

Admiral TAYLOR. There are a good many at League Island, but they are scattered around. The *Oregon*, for instance, is at Puget Sound.

Mr. KELLEY. As I recollect, we fixed her all over for the President.

Admiral TAYLOR. The *Oregon*? No, sir; there has been very little expenditure on the *Oregon* for a long time.

Mr. KELLEY. I was thinking they were going to have a parade out there, and on account of the sentiment surrounding it we fixed the *Oregon* all over—repainted her and fixed her all up and brought her down to San Francisco.

Admiral TAYLOR. No extensive work was done on her; no, sir.

Mr. KELLEY. I remember I was at Puget Sound, and I was on her, and I was thinking that they said it cost several million dollars.

Admiral TAYLOR. No, sir.

Mr. KELLEY. Have you got the exact amount you spent on the *Oregon* last year?

Admiral TAYLOR. I have not got it here, but I do not hesitate to say it was not several million dollars.

Mr. KELLEY. Well, as much as a million dollars?

Admiral TAYLOR. No, sir.

Mr. KELLEY. I did not mean to find any fault with it particularly, because I suppose it was done as a matter of patriotic sentiment.

Admiral TAYLOR. We never spent anything approaching \$1,000,-000 on her. We may have done a little painting on her.

Mr. KELLEY. She went down there?

Admiral TAYLOR. The *Oregon* was in commission to move, and that was about all. During the war she was able to move. This report shows that the repairs and alterations, including the equipage on the *Oregon*, under all appropriations, was \$35,000 last year.

Mr. KELLEY. That was last year, was it not, that she went down to lead the parade, or was that the year before?

Admiral TAYLOR. I think it was last year; sir, I could not say. I am sure that no large sum was spent on her.

Mr. KELLEY. You really feel that it takes as much as \$35,000 a piece for those 22 ships?

Admiral TAYLOR. On an average, sir. They think that is what we ought to have, judging by what we spent.

Mr. AYRES. That is the estimate for what ships?

Admiral TAYLOR. The predreadnaughts, 22 in number, beginning with the *Louisiana* and *New Hampshire*.

Mr. KELLEY. The cruisers?

Admiral TAYLOR. They will have added to them the *Huntington* and the *Huron*, but I will straighten those out.

Mr. KELLEY. So that they will go in the record all right?

Admiral TAYLOR. Yes, so that they will go in the record. I will put it in the form of a table. (See table preceding.)

Mr. KELLEY. Twenty-four gunboats, \$6,000 apiece; 5 cutters, \$5,000 apiece; 7 submarines, \$2,000 apiece; 73 destroyers, \$5,000 apiece.

Admiral TAYLOR. Those are out of commission. Of course, we have made the best estimate we could, Mr. Kelley.

Mr. KELLEY. I understand.

Admiral TAYLOR. They are round sums, and they are averages based upon our previous experience, and that includes all indirect expenditures as well as direct and money allotments.

Mr. KELLEY. That makes a total of how much?

Admiral TAYLOR. Out of commission, \$2,100,000 revised.

Mr. KELLEY. And a total for reduced commission and out of commission of how much?

Admiral TAYLOR. \$25,700,000.

Mr. KELLEY. That is for the part of the Navy that is afloat?

Admiral TAYLOR. That is the fleet.

Mr. KELLEY. Let us consider these shore activities.

Admiral TAYLOR. We have cut those a good deal in the revision.

Mr. KELLEY. That is all on the first page, is it, Admiral? That you gave me here?

Admiral TAYLOR. Yes, sir; the whole thing is summarized on the first page.

Mr. KELLEY. Maintenance and upkeep of existing facilities at industrial stations, line between charges to station and charges to work indefinite, \$1,800,000.

Admiral TAYLOR. \$800,000 is the revised estimate.

Mr. KELLEY. Military stations.

Admiral TAYLOR. We have a certain amount of work to do with floating property and other things at military stations. The yards, as you know, are divided between military and industrial. The New Orleans yard, for instance, is classed as military. All the other working yards are classed as industrial.

Mr. KELLEY. And at the military stations you charge this fund with \$400,000 for the upkeep of the facilities?

Admiral TAYLOR. That was the same as before. We could not reduce that. We have, for instance, at practically every station some floating equipment. We have some boats at Great Lakes.

Mr. KELLEY. How much did you reduce that?

Admiral TAYLOR. \$400,000.

Mr. KELLEY. You left that the same?

Admiral TAYLOR. We could not reduce that, we found, because there would be practically no change. We supply recruits. We have to outfit them with bedding and that kind of thing, and where that is done at a military station that is charged under Title S.

Mr. KELLEY. Station craft. Have you changed that any?

Admiral TAYLOR. No, sir; \$500,000.

Mr. KELLEY. Those are the tugs?

Admiral TAYLOR. That was \$500,000 before.

Mr. KELLEY. And it is \$500,000 now?

Admiral TAYLOR. \$500,000, making the total of \$1,700,000, that subtotal.

Mr. KELLEY. Replacements and betterments, fuel oil, and water barges. What is that title?

Admiral TAYLOR. Nearly a year ago the department, on the request of the Bureau of Supplies and Accounts, went into the question of fuel oil and water barges, and it was recommended and, as a result, we were told to provide for 10 large fuel oil and water barges, which are yard craft really, and that was the cause of that estimate.

Mr. KELLEY. They are a sort of small tanker, is that the idea?

Admiral TAYLOR. A large barge displacing in the neighborhood of 1,000 tons, with a small amount of self-propulsion. They carry oil and water from the shore to the ships. We have some already in service. We built some during the war.

Mr. KELLEY. These are for the replacements of certain parts, or are they for the replacement of the craft?

Admiral TAYLOR. They are for additional craft and replacing some of the older ones that are worn out. We have a large number of oil and water barges, mostly smaller than these.

Mr. KELLEY. Have you ordered these ships?

Admiral TAYLOR. No, sir. We are putting in an estimate for them. We did not have the money to build them.

Mr. KELLEY. That looks like a couple of millions that we could eliminate this year, does it not, Admiral?

Admiral TAYLOR. I wish you would talk to Supplies and Accounts about this, sir. My only interest in it is to fill that order, and I know they feel they are very desirable and very necessary. I know that a board in the department sat on it.

Mr. KELLEY. How many of these fuel-oil and water barges did you say?

Admiral TAYLOR. Ten.

Mr. KELLEY. They carry the water and the oil from the shore to the ships?

Admiral TAYLOR. In the various yards and stations; yes, sir.

Mr. KELLEY. That is to say if a ship anchored out in the river at Philadelphia, one of these barges would take the oil and water from the shore out to the ship?

Admiral TAYLOR. And fill her up.

Mr. KELLEY. We can get the detail of the reasons for that investment from the Bureau of Supplies and Accounts?

Admiral TAYLOR. Of the necessity for it. It is to serve their needs. They are the people who handle them.

Mr. KELLEY. They have a certain supply of them, but they want more?

Admiral TAYLOR. This is to take the place of a request for 25.

Mr. KELLEY. The next item is personnel for shore activities, personnel for fleet under training, for hammocks—

Admiral TAYLOR. That is out.

Mr. KELLEY. That comes out altogether?

Admiral TAYLOR. That is the bedding and that kind of thing that we supply to the recruits, and we assumed that with 100,000 men there will not be any recruits. And that item of \$1,000,000 escaped. There was an item up above, you will find, Mr. Kelley, near the top. That goes out. There was an item D which goes out, because we figured that there would be no necessity for it with a reduced force.

Mr. KELLEY. You will put in the record, Admiral, a statement showing the original estimates based on 143,000 men and then the revised estimates based on 100,000 men?

Admiral TAYLOR. Yes, sir.

NOTE.—The original for 143,000 men was \$35,800,000 and based on 100,000 men \$31,400,000.

Mr. KELLEY. Now, we will consider these charges for the upkeep of the stations, the maintenance of the stations. We had some discussion about that the other day when Admiral Parks was here.

Have you a statement showing the amount of money spent for this item, namely, maintenance of industrial yards and stations, out of the appropriation last year?

Admiral TAYLOR. You will find that in Supplies and Accounts, sir, but we have not got it separated. They charged up to title G a large amount, but most of that was distributed to the work and reallocated.

Mr. KELLEY. We will suppose that at the yard at Philadelphia you have some of these ships repaired, and you have some new construction going on there, and certain shops are being used by you and a certain amount of power and certain tools. Just how do you apportion the expense to the fund called operating expense? I do not know whether you call it that or not.

Admiral TAYLOR. This item does not refer to operating expense. That goes into the cost of the work.

Mr. KELLEY. Suppose you assign one of these dreadnaughts to the yard up at Philadelphia for repairs. You have estimated that the hull would cost so much. You send it up there for repair. Now, how do you keep the account against that ship?

Admiral TAYLOR. When a ship goes there for extensive repairs each separate item of repair is listed, and a job order, as it is called, issued to cover it. To that is charged all the work which is done on it in any shop. One job order may be worked upon in one small shop only, and another job order may be worked upon in every shop in the yard, depending upon its nature. All direct labor and material going into that job is charged against that job order.

In addition, all operating costs, the oil for the machinery, for instance, in the shops, and a large number of items are charged in as indirect. That is the usual commercial accounting. And the indirect cost is distributed between the various job orders in proportion to the direct labor. The power, for instance, is distributed between the various shops, the cost of the power, according to the amount of power they have used, and then it is prorated automatically to the various jobs in the shop. For instance, if all of the indirect in a shop during the month amounts to \$5,000, and the labor expenditure in that shop and the direct charged during the month amounted to \$25,000, 20 per cent is added to each job in order to get these general items pro rated on specific jobs.

Mr. KELLEY. You are asking here for \$1,100,000 for the maintenance of stations by reason of this work which is being put in the yards.

Admiral TAYLOR. No, sir; that item is for another thing. That is to take care of the plant, the hull division.

Mr. KELLEY. Suppose we do not repair any of these hulls. Then you would not want the \$1,100,000?

Admiral TAYLOR. If the plant did not wear out, and if there was no work going on, we would not want as much as that, but we will have to have something to take care of it, just as we have to have something to take care of a shop which is not operating. That has been the practice always, but the construction appropriation took care of the plant doing this work, the maintenance and upkeep.

Mr. KELLEY. That is the new construction?

Admiral TAYLOR. No, sir, the Construction and Repair appropriation for the hull division plant.

Mr. KELLEY. If you did not have any repair work going on in a yard and had a great deal of new construction going on there, then you would charge in these items the new construction, would you not?

Admiral TAYLOR. No, sir, not as a rule. The new construction would be charged with its overhead, but it would not be charged with the upkeep of the plant proper, which is not charged in the overhead. There is a dividing line between the upkeep of the plant which goes in properly as overhead and the upkeep of the plant which goes to take care of the plant.

Mr. KELLEY. Where does the dividing line come?

Admiral TAYLOR. As a general thing, the dividing line comes between minor repairs and big repairs or replacements. That is all specified in the Supplies and Accounts' manual.

Mr. KELLEY. We are asked to make an appropriation here of about \$12,000,000 for Yards and Docks, for maintenance and repairs. Suppose we did not allow that appropriation. What would happen in the yards?

Admiral TAYLOR. The yards would stop, because the practice has grown up that Yards and Docks does certain work in the yards which is essential to keep them going. For instance, Yards and Docks takes care of the power plants. Twenty years ago, before we had the divisions of the yards consolidated, there was a power plant for the Construction and Repair plant; there was a power plant running the engineering shops, and in some cases there was a third power plant and Congress consolidated them and put them all under Yards and Docks, but the work of that power plant is mainly for the Bureaus of Engineering and Construction and Repair. I never knew exactly why they put it under Yards and Docks, because we are the greatest users of the power, and as long as the power plant is going and operating it is paid for by the work, but when it comes to the question of putting in a new generator or something of that kind in a power plant, it has to be paid for by Yards and Docks, and if they have not the money to put it in, and it is necessary to have it, the thing stops. That is the difficulty.

Mr. KELLEY. I tried to find out the other day just where the dividing line came, and to ascertain where this \$9,000,000 that Yards and Docks wanted were going to be spent, and as near as I could get at it, it was for the maintenance and repair of buildings, docks, piers, railroad tracks, transportation of all kinds in the yard, motor trucks, and automobiles.

Admiral TAYLOR. The provision of transportation, yes; but the operating is paid to some extent by the people who use it, through the indirect.

Mr. KELLEY. The locomotive engines and the locomotive cranes?

Admiral TAYLOR. I was thinking more of trucks.

Mr. KELLEY. He said he was charged with the maintenance of those.

Admiral TAYLOR. Yes, sir; he is.

Mr. KELLEY. I asked him this question: Suppose you did not have the money to maintain those locomotives. What would happen? His answer was, as I recollect, that the industrial end of the yard would take that expense over and pay it.

Admiral TAYLOR. No, sir.

Mr. KELLEY. Out of what you call general expense?

Admiral TAYLOR. I think he was a little mistaken in that, because a case of that kind has arisen, and we refused to take it over. Of course, Mr. Kelley, with all these various bureaus working together in the yard, with dividing lines between them, there is a little uncertainty in places, but that specific case you speak of did arise at a certain yard. Let me tell you how we solved it and how it cost the Government money. We needed trucks, and the Bureau of Yards and Docks could not make an allotment for the trucks. It was necessary to move the material, and I forget whether it was building or repairing the ships, but the alternative was to hire trucks, which would involve a greater expense. For that you could make a contract for the trucking service under the appropriation, but when it came to a case of utilizing the yard facilities the other bureaus could not take the work which belonged to Yards and Docks.

Mr. KELLEY. Suppose you were using a locomotive, and something happened to it, could you not repair it out of any fund you have?

Admiral TAYLOR. I do not think so, sir; not as long as yards and docks are responsible for it.

Mr. KELLEY. And the same thing is true of the cranes?

Admiral TAYLOR. Yards and docks does all the repairs on the cranes. The cost of doing the work is distributed to the work in many cases, but if it is a case of making good a defect or repairing it, yards and docks has to do it. We had a case last summer, for instance, which illustrates the kind of thing we have been up against at the Mare Island yard. The air service gave out, or was very low, and they wanted to install a condenser which they already had, for the purpose of serving some compressors. The commandant, being unable to get any allotment out of yards and docks, reported he had authorized the execution of the work proposed, which was to cost \$1,800, as it was of a very urgent character, and had charged it to general expense. That came to the department, and I said that he could not do it; that it was properly chargeable to yards and docks.

That was one illustration showing the kind of thing we are up against.

Mr. KELLEY. We will put it in this way. You are asking for \$25,000,000, in round numbers, for the repair of ships, for the hull and machinery. What part, if any, of that \$25,000,000 goes into the maintenance of the stations and yards?

Admiral TAYLOR. That includes the general expense of operating the yards.

Mr. KELLEY. What does that include?

Admiral TAYLOR. I would have to give you the accounting instructions for that, but it includes power, heat, and light, and the men in the shop, for instance, who can not be charged to a particular job, the foremen who are not charged to a particular job. We have a very elaborate system of overhead expense, and during the last year the accounting instructions have been revised to make sure that the general expense charge is the same as can be charged in any private concern. There were great complaints of that, because previously, under the system we had been operating on, a certain amount of general expense was not allotted to the job, but I think that if you will ask the supplies and accounts people they will tell you that every-

thing that is properly chargeable to the job is now charged to the job on straight commercial principles.

Mr. KELLEY. Can you tell me out of a repair item of \$25,000,000 on these ships how much would be for labor and material going into the ships and how much for material and labor going into the yard?

Admiral TAYLOR. The labor and material going into the yard would be nothing, except for the upkeep of the plant, but I wish you would get that from Supplies and Accounts. They are charged with keeping all those accounts, and they have them. Of course, the change in the system which we started last spring has only been operating during the current fiscal year; but, as a rule, the overhead, figured on the cost of direct labor (overhead includes both labor and material, but overhead charges will depend somewhat upon the method of accounting used), and it will vary from 70 to 125 per cent of direct labor. If you have a man that has no plant, and does not have to operate a plant, like a painter with a large gang, his overhead is very small. If you have a man who is painting automobile bodies by dipping them in a vat and drying them, his overhead will be very large, but he will do the work much cheaper. I hope you will not think the percentage of overhead is necessarily an indication of the extravagance of the work. As a rule, the people who have the highest overhead do the work most cheaply. Labor-saving appliances, for instance, mean cheap work, but involve a low labor cost and a high overhead percentage.

Mr. KELLEY. What is the advantage of having Yards and Docks care for locomotive cranes, rather than have the upkeep of those charged to the industrial yards?

Admiral TAYLOR. The operation is wholly charged to the industrial yard, to the work going on, because when they are operating the job would more than pay all operating expense. Take the case of this power plant. When the power plant is operating Yards and Docks pays ultimately only for a comparatively small amount of the output; that is, for lighting the streets and that kind of thing, whereas lighting and operating the shops is paid for by the shops, as they should be; they ought not to get it for nothing, and in some instances, instead of operating the plant, we buy power from an outside power plant. The present division is not highly scientific, Mr. Kelley. For instance, Yards and Docks 60 years ago had oxen in the yards. The oxen lived in the yard and were fed in the yard, and as the situation developed they inherited all transportation facilities. Somebody has to do it, and they are competent to do it; but it just makes trouble if Yards and Docks are responsible for the neck of the bottle and the neck of the bottle gets plugged, as happened in this case which I just referred to, and as has happened in other cases where their appropriations were inadequate to keep the yard as a going concern when work was needed to be done.

Mr. KELLEY. Take your appropriation of whatever it was for last year. The Bureau of Supplies and Accounts could give all the information that I have asked you for relative to the division?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. Between the actual cost entering into the ship and the expense going into the yard? There is some way of determining how much these yards cost?

Admiral TAYLOR. You will find that the division of the cost of operating the shops is set forth in their report, but that is a part of the cost of doing the work. If I have a planer which is operating on a job for the shop on a bed plate, for instance, the cost of operating that planer is not only the cost of the man who runs it, which is the direct labor charged to it, but that planer has to be oiled, which costs something in the end, it has to get power to run it, and if a belt breaks a belt man has to come and lace up the belt again. There are a large number of indirect expenses involved in doing any work.

Mr. KELLEY. Suppose you have an expense inside of the shop, suppose you break something while you are working on one of these ships.

Admiral TAYLOR. If it is a very small expense, a minor matter, such as a belt breaking, it would be charged in as a general expense. If it were anything which required an extensive replacement, it would be charged to maintenance of the plant.

Mr. KELLEY. Where would you get the money to do that?

Admiral TAYLOR. If it were a Construction and Repair planer in the hull division, it would be paid for direct out of the Construction and Repair appropriation. If it were in the engineering shop, in the machine shop, it would be paid for out of the engineering appropriation. Yards and Docks work, properly speaking, belongs outside of the shops.

Mr. KELLEY. Is there any way to find out, for instance, what the repair bill is, not only under Yards and Docks, but in your bureau and the Bureau of Steam Engineering, so as to give the total expenditure in any particular yard?

Admiral TAYLOR. I think so, sir. You would probably have to go into the details of the reports, because the reports as rendered—take one case, for instance, of general maintenance. That includes all maintenance which we are speaking of, and it is summarized, but it is a question of including payment for leave and holidays of the men. It includes a large number of varying expenses which are classified in the wording of that section. If you wish to get the classification in greater detail, you would have to go to the accountants for more detailed figures. Supplies and Accounts has them, and I suppose they can shuffle them and deal them in any way.

Mr. KELLEY. You have \$31,000,000, we will say, for the repair of hulls.

Admiral TAYLOR. Including direct and indirect expenses.

Mr. KELLEY. Say \$25,000,000. Let us get back to that.

Admiral TAYLOR. That includes all the work incident to the job, sir. That was why we tried to recast our basis of estimates, so as to find out what money we wanted to take care of a given ship, and instead of calling for so much for this and so much for the other, we based it all upon the work done.

Mr. KELLEY. When you say you want \$70,000 for a ship, you not only want enough to buy the material to repair it and pay for the labor for repairing it, but the proportionate expense of running the shop in which it is repaired, including the cost of repairing any machinery used in the work?

Admiral TAYLOR. Yes, sir; to keep it a going concern, because if we simply had the material and the men to do the work we could

not do it necessarily, because the men have to have the tools to work with.

Mr. KELLEY. But any machinery used in connection with it outside of the shop, like locomotives and cranes, are not paid for out of this fund and do not find their way into this cost?

Admiral TAYLOR. Only as small repairs can be charged up to general expense. You see, the proposition of the commandant in the Mare Island yard was to charge this up to general expense in that disguised shape, which would keep the work in production, but the theory is that the upkeep of such facilities, these public utilities, belongs to Yards and Docks.

Mr. KELLEY. Do you know of any private manufacturing plant where they separate the expenditures out like that to maintenance?

Admiral TAYLOR. Yes, sir; it is customary to do that.

Mr. KELLEY. I mean where they charge to the work any expense that is incurred inside of the shop, and charge to something else all the expense that is incurred outside of the shop?

Admiral TAYLOR. No; any expense incident to the work should be charged to the work, in my opinion, and that is the practice of all commercial establishments.

Mr. KELLEY. That is not the practice, of course, under this system?

Admiral TAYLOR. Of course, no two accountants will agree, but, Mr. Kelley, I would like to remind you that the great part of the expense of Yards and Docks is not at industrial yards. When it comes to a military station, for instance, somebody has to maintain it, and they have a very large expenditure in connection with military stations. I do not know just how their expenses would vary, but each bureau has some expense at the military stations. But the upkeep of the military stations is very largely on Yards and Docks.

Mr. KELLEY. But I imagine that the big end of their bill would be at the industrial yards, because the military stations are rather small.

Admiral TAYLOR. I would not be so sure of that. There are quite a large number of those small stations that have to have heat, light, water, and that kind of thing.

Mr. KELLEY. You do not think that the Chief of the Bureau of Yards and Docks was accurate if he said, and as I know that he said, that this general expense fund could be drawn upon by any yard for the upkeep of cranes, locomotives, and yard equipment if the appropriation fell short?

Admiral TAYLOR. As I understand it, they would have to violate the accounting instructions to do it.

Mr. KELLEY. They would not have to violate any law to do it?

Admiral TAYLOR. I do not think they would have to violate any law; no, sir.

Mr. KELLEY. They would not even run against any objections probably in the Treasury Department?

Admiral TAYLOR. Take the case that I spoke of, where Yards and Docks could not provide this trucking, and the trucking was a proper charge to get the work done. The comptroller would have passed it as a charge against the other appropriation.

Mr. KELLEY. Suppose you had O. K'd from Mare Island, then the industrial end of the yard out there would have taken care of that

expense, and would have been paid, and come out of the fund for new construction or repairs, one or the other?

Admiral TAYLOR. We all objected to that. I did not read you the whole story. Engineering objected to it, Yards and Docks objected to it, and we all jumped on the commandant. Of course, I can sympathize with the commandant, because he was trying to get the work done. Bricks without straw are pretty bad but bricks without clay are worse still.

Mr. KELLEY. Well, we were rather interested in being sure that the other end of the bag was not always open.

Admiral TAYLOR. As I said before, there is a border line or a twilight zone unavoidably between all of these appropriations, but the accounting instructions and the regulations and the practice of years have defined them pretty closely, and there is not much overstepping.

Mr. KELLEY. How do you arrive at this item of \$1,000,000 on this \$25,000,000 expenditure, \$1,100,000?

Admiral TAYLOR. We made that \$800,000 item 2-a. That was an estimate. It is a little difficult to draw the line between the charges to stations and the charges to the work, but we estimated from previous experience as best we could that that would be the proper amount.

Mr. KELLEY. I presume that this can be gone into with the Bureau of Supplies and Accounts to better advantage?

Admiral TAYLOR. As regards the method of charging; yes. As regards the estimates, we make the estimates as best we can.

Mr. KELLEY. You might overrun the \$800,000 of your expense for material, and labor on the other side might fall short.

Admiral TAYLOR. I would not like to be held to the exact figure of any of these estimates, sir, because we are not in a position to estimate with minute accuracy. There is one thing that appropriation has to do which we might run into. We take care of casualties. We do not know how many ships are going to run aground during the year. Some years we have no wrecking work to do and sometimes we have a great deal to do, but all that comes out in the wash in a large appropriation.

It means that if we were running short toward the end of the year we would drop something, just as now we have spent a little more than half during the first half of the year, a little more than half of our working appropriation, but the department has issued orders extending the prohibition of alterations to all ships up to the 1st of July.. Before that certain ships were prohibited from alterations, except for sanitary reasons or unavoidable reasons, but we have extended that up to the 1st of July to all ships, which will help to get the ships out of the yards. The yards are full of ships needing repair, and we will continue those repairs, because otherwise our first line ships will fall behind. There is a certain amount of alteration unavoidable there, and it is a military necessity to keep them up to date.

Mr. KELLEY. How much material required for these repairs have you on hand?

Admiral TAYLOR. We have not any under this appropriation, sir. There is a large amount of material carried on the naval supply account, but when we draw it out we have to pay for it.

Mr. KELLEY. That is what I mean. How much of the material that is required for these repairs will you get from the naval supply account?

Admiral TAYLOR. Practically all of this. We get all of our material from the naval supply account, unless it is something purchased specially, like a windlass. If we get a new windlass we make requisition for it.

Mr. KELLEY. What part of the \$25,000,000, or whatever that sum is, would be material?

Admiral TAYLOR. Roughly, about 40 per cent.

Mr. KELLEY. You understand my question? I think you said you will get practically all of the material necessary for these repairs out of stock now on hand under the naval supply account?

Admiral TAYLOR. I would not like to say that, sir. We have a large stock on hand, and a fair stock, but that will not cover all of our needs. We have to purchase material from time to time.

Mr. KELLEY. As to the purchase of material you get the benefit of any reduction, of course, in prices?

Admiral TAYLOR. No, sir; that is indefinite.

Mr. KELLEY. I mean as to the purchase of material that is not on hand?

Admiral TAYLOR. That is not on hand; yes, sir.

Mr. KELLEY. From the naval supply account?

Admiral TAYLOR. Material which is used from the naval supply account has to get its full value. In other words, if they paid 10 cents a pound for steel and it is carried on the books at 10 cents a pound, Construction and Repair would have to pay out of the Construction and Repair appropriation 10 cents. It did not actually cost 10 cents. I am just using that figure for the sake of illustration.

Mr. KELLEY. If we should pass an act here which would practically permit a new appraisal of stock on hand, and authorize the Bureau of Supplies and Accounts to settle with the Treasury and charge off of those war prices the difference between the war price and the current price so that that bookkeeping transaction would be taken care of by one stroke rather than correcting it by appropriating large sums of money which do not mean anything except a bookkeeping transaction, then you would get the benefit of the current price when you bought from Supplies and Accounts, would you not?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. Is there anything else you want to say in regard to repairs and preservation?

Admiral TAYLOR. I would like to say one word about the rest of it.

Mr. KELLEY. You mean on repairs and preservation?

Admiral TAYLOR. Yes, sir. You will notice that under new construction we are putting in a provision, and under that the limit which was originally \$3,750,000 we have reduced to \$3,450,000.

Mr. KELLEY. You are speaking now of your drafting force?

Admiral TAYLOR. The limit to the classified force.

Mr. KELLEY. How much will you reduce that this time?

Admiral TAYLOR. \$3,450,000 we are making that. The greater portion of that is in connection with the new construction, the drafting work is the big item, and although we are not ready to talk about new construction yet, even if you slow up the program we ought to be able to push the plans ahead. We have never so far been able to

keep up the plans ahead of the work on the new ships. But if we can get the plans well ahead it will take some of the curse off of shaving the new work down. We are still having trouble with plans. Draftsmen are rather scarce, in spite of the falling off of new shipbuilding business.

IMPROVEMENT OF CONSTRUCTION PLANTS.

Mr. KELLEY. The next item is improvement of construction plants. Last year you had \$172,000.

Admiral TAYLOR. We have reduced that, Mr. Chairman. We have reduced each of those about 20 per cent from the figure as originally submitted. The navy yard at Portsmouth to \$5,600; Boston, \$14,000; New York, \$19,600; Philadelphia, \$14,000; Norfolk, \$19,600; Charleston, \$5,600; Mare Island, \$25,500; and Puget Sound, \$17,500.

Mr. KELLEY. What are those small items and what do they cover?

Admiral TAYLOR. It is a small item, and it is intended to cover the development of the plant rather than maintenance. Maintenance we cover in the regular appropriation. I hope some day we may have those items larger, but we have kept them very small for the last few years, simply to keep that appropriation available. The navy-yard plants have been improved very much of late years, as you know, out of general appropriations, but we would like to keep this alive so as not to drop out entirely. It only means, in the case of an \$8,000 appropriation, one large tool, some new tool, a tool of a new type, to save money, and we reduced that to very small limits. We reduced that last year, and we have made a further reduction this year.

Mr. KELLEY. It is merely a nominal sum that you wish to keep on hand to purchase tools, etc. It is not even for minor tools, is it?

Admiral TAYLOR. We do not spend that for small things like hand tools. Those are consumed in the work. But in every yard every year there is some improvement to the plant which comes up, and we would like to have a little money in order to make it. The appropriation was larger than this before, and we would like very much to keep it alive.

Mr. BYRNES. Illustrate what you do with it, Admiral, in the way of improvements.

Admiral TAYLOR. Take the case of a press. We find that instead of forging a certain appliance we may be able to press it out, and we buy a press for that purpose, and this appropriation is available for expanding the plant. The line is pretty close between that and the maintenance of the plant, but there is a distinction.

Mr. KELLEY. Ordinarily, if you wanted to buy some new tool of any size for any of these yards, you would put it over in the Bureau of Yards and Docks?

Admiral TAYLOR. No, sir; not the machinery, not the tools.

Mr. KELLEY. Where do those come?

Admiral TAYLOR. Yards and Docks puts in the foundations; Yards and Docks builds the buildings, builds the shops, and puts in the foundations, but the tools are purchased and installed by the people that are going to use them.

Mr. KELLEY. Where do you get the money to put in the machinery and tools?

Admiral TAYLOR. In the last few years we have had a much larger appropriation for improving the yards, lump sums, which were

made specifically, which have been allotted by the Secretary. That is the way the big improvements were made at the Philadelphia yard, and, in fact, at all of the yards.

Mr. KELLEY. Here is an item asked for under the Bureau of Yards and Docks, brass foundry improvement at navy yard, Washington, \$45,000.

Admiral TAYLOR. That is probably some change in the building, or something of that kind. Yards and Docks does not provide the working tools. They provide the building and the foundation for the tools, and they provide the conduits, they do all of the underground work outside of the buildings, they lay the water pipes and the compressed air pipes, and they provide the compressed air as a part of the power plant.

Mr. KELLEY. The supplying of cranes or locomotives, or anything of that kind comes under their jurisdiction?

Admiral TAYLOR. Outside, outdoors; yes, sir.

Mr. KELLEY. Is this little item here the only appropriation in the bill for machinery on the inside?

Admiral TAYLOR. No, sir; the only specific appropriation for improvements to the plants. For the replacement of tools the general appropriation is available.

Mr. KELLEY. Out of the \$37,000,000 you can buy all of the tools you want?

Admiral TAYLOR. Yes, sir; theoretically.

Mr. KELLEY. I know what you say, Admiral, about this being kept there to try to keep the thing alive, but I do not quite see, after all, the value of it to you.

MONDAY, JANUARY 17, 1921.

BUREAU OF ORDNANCE.

STATEMENT OF REAR ADMIRAL CHARLES B. M'VAY, JR., CHIEF BUREAU OF ORDNANCE, ACCOMPANIED BY CAPT. C. C. BLOCH, ASSISTANT TO CHIEF OF BUREAU, AND MR. W. W. WERNTZ.

ORDNANCE AND ORDNANCE STORES.

Mr. KELLEY. We have with us this morning Admiral McVay, Chief of the Bureau of Ordnance. Admiral, the first item under your bureau is "Ordnance and ordnance stores." I wish you would make a statement for the record giving, in a very brief way, the exact purposes for which this lump-sum appropriation is used. This year you had \$17,500,000, and you are asking for the same amount.

Admiral MCVAY. We are asking for the same amount this year, because this is our main appropriation and because it is the fund for general use in the bureau. While all of our ordnance material is equal, so far as we know, to that abroad, there is practically nothing under this bureau that is not undergoing improvement as a result of lessons of the war. The officers in the bureau at the present time are those who have served at sea during the war and are prepared technically to use the information gained.

REPAIR AND MAINTENANCE OF ORDNANCE PLANTS.

Mr. KELLEY. This appropriation, "Ordnance and ordnance" stores, is for maintaining the ordnance plants in so far as the old construction is concerned.

Admiral McVAY. Yes, sir.

Mr. KELLEY. Is there any maintenance that comes out of increase of the Navy for any of these plants?

Admiral McVAY. No, sir; the maintenance is only under "Ordnance and ordnance stores," and no other bureau of the Navy Department is interested in any way, shape, or form.

Mr. KELLEY. When you put new construction into a yard—the building of new guns, not the repair or rebuilding of old guns, but the building of new guns—

Admiral McVAY (interposing). That comes under the appropriation "Increase of the Navy, armor, and armament."

Mr. KELLEY. That is the material and the labor, but what about the proportionate amount of the maintenance of the plant?

Admiral McVAY. The maintenance of the plant comes under "Ordnance and ordnance stores."

Mr. KELLEY. Although it might be incurred in behalf of new construction?

Admiral McVAY. Well, we avoid all that; we try to carry on our work and do carry on our work under the proper appropriations. To begin with, the Bureau of Ordnance is peculiar in that it not only plans the technical ordnance work but it is a producer of its own material.

Mr. KELLEY. I understand, but you have under "Increase of the Navy" quite a large appropriation for guns, ammunition, armor plate, and all that kind of thing; out of that appropriation is there any part used for maintaining any of your ordnance plants?

Admiral McVAY. No, sir; we maintain them only under "Ordnance and ordnance stores."

Mr. KELLEY. You do not take a cent out of new construction for either repairing or maintenance?

Admiral McVAY. No, sir; it is all under "Ordnance and ordnance stores."

Mr. KELLEY. Take the torpedo factory, where you make nothing but new torpedoes. You get the money for paying the labor and purchasing the material for those new torpedoes out of increase of the Navy?

Admiral McVAY. Yes, sir.

Mr. KELLEY. But the money for keeping up the plant, keeping the machinery in repair, providing the power, the heat, light, and all that, comes out of this appropriation?

Admiral McVAY. Yes, sir; out of "Ordnance and ordnance stores," and I might add this also, that so far as any other bureau is concerned no maintenance appropriation is used at an ordnance station, except that under new construction—that is, under "Yards and docks"—it obtains the appropriation and builds the new buildings.

Mr. KELLEY. That is another matter.

Admiral McVAY. Yes.

Mr. KELLEY. But I am talking entirely about repairs and preservation.

Admiral McVAY. That is under "Ordnance and ordnance stores."

Mr. KELLEY. So there is no other fund available except this \$17,500,000, for repairing or maintaining the ordnance plants and stations?

Admiral McVAY. That is right, sir; that is the only appropriation, and under that the money is divided as follows: For procuring, producing, preserving, and handling ordnance material; for the armament of ships; fuel; material; repair and maintenance of stations, \$14,830,000; furniture at stations, \$25,000; target practice, \$600,000; maintenance, repair, and operation of vehicles, \$45,000; and classified employees, \$2,000,000.

Mr. KELLEY. I wanted to have it clear in the record, first, that this was your only fund.

Admiral McVAY. Yes; this is the only fund.

Mr. KELLEY. The material that you purchase out of this fund and the labor that you pay for out of this fund are not materials or labor used in the construction of new ordnance?

Admiral McVAY. Except for old ships.

Mr. KELLEY. The appropriation, "Increase of the Navy," takes care of the new construction?

Admiral McVAY. Absolutely.

Mr. KELLEY. So far as the labor and materials entering into that new construction are concerned?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Out of this appropriation you repair your buildings?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Repair your machinery?

Admiral McVAY. Yes, sir.

Mr. KELLEY. And furnish your power, light, and heat, and pay all of your employees who are engaged in repair work, and pay for all the material that enters into repair work both for the ships of the Navy and for the buildings and the grounds?

Admiral McVAY. Yes, sir.

Capt. BLOCH. There is one correction there and that is about the power. The power, according to our system of accounting, is an operating expense, and it is prorated to the various job orders, no matter under what appropriation they are charged.

Mr. KELLEY. That is to say, if you have certain repair work going on for different ships in one of your plants, and you have some new work going on also, the expense of the power plant is prorated among all these various enterprises?

Admiral McVAY. Yes, sir.

Mr. KELLEY. And it does not wholly come out of this appropriation?

Capt. BLOCH. That is correct.

Mr. KELLEY. Are there any other exceptions to the first statement you made?

Admiral McVAY. No.

Mr. KELLEY. But as to power, you do have access to other funds besides this?

Admiral McVAY. If we are putting up ammunition for new ships, we charge the expense of that to increase of the Navy; it is divided between the new and old work.

Mr. KELLEY. Do you not prorate your overhead, too?

Admiral McVAY. The overhead is prorated; yes, sir.

Mr. KELLEY. And a part of that is borne by increase of the navy?

Admiral McVAY. Yes, sir. However, we only have one place where overhead is of any particular moment, and that is at the naval gun factory.

Mr. KELLEY. That would be a pretty large item because you have there, I imagine, a good deal of repair work and a great deal of new work.

Admiral McVAY. Yes.

Capt. BLOCH. As distinguished between operating and maintenance charges?

WASHINGTON NAVY YARD.

Mr. KELLEY. Let us take the Washington yard in a general way, without giving any figures for the present, and tell me from what sources you can get money to run that yard outside of the purchase of material for new construction and outside of the payment of labor for new construction. Those, of course, I know go to increase of the Navy. Now, what other charges in the yard, besides those two direct charges, could be paid out of increases of the Navy? You see, it makes quite a difference whether this is all you have or whether you can go to increase of the Navy and get as much as you want by apportioning the expense, and that would be a purely arbitrary matter. For instance, take the question of power. Somebody down there would probably say the new construction should pay one-half, one-quarter, or one-tenth, whatever it would be, and it would be rather arbitrary.

Capt. BLOCH. It is not arbitrary.

Mr. KELLEY. It is arbitrary in that somebody can fix it one way or the other.

Admiral McVAY. No, sir.

Mr. KELLEY. It is not fixed by law.

Admiral McVAY. It is fixed by order, though.

Mr. KELLEY. That is an arbitrary division, after all.

Admiral McVAY. Well, it is drawn in proportion to the expenditure out of the different appropriations.

Mr. KELLEY. Suppose Congress should cut off \$5,000,000 from this appropriation and leave you whatever authority you have at the present time, could you not transfer that charge to "Increase of the Navy," in all these shops where you are making new material?

Admiral McVAY. No, sir.

Mr. KELLEY. And make "Increase of the Navy" bear the overhead rather than the old construction bear it?

Admiral McVAY. No; we could not; we would simply have to stop work if \$5,000,000 were cut off.

Mr. KELLEY. I did not mean \$5,000,000 exactly, but just used that figure as an illustration. If we cut off any amount why could you not put it on the other place?

Admiral McVAY. We could not do that.

Mr. KELLEY. Why not?

Admiral McVAY. Well, because if you cut down the amount of money appropriated for "Ordnance and ordnance stores," you would stop production.

Mr. KELLEY. Not if you took another \$1,000,000 out of your new construction, for coal, for heat, light, and oil, upkeep of your buildings and repair of your tools.

METHOD OF APPORTIONING FUNDS FROM VARIOUS APPROPRIATIONS.

Admiral McVAY. If you were doing a million dollars' worth of work under "Ordnance and ordnance stores" and another million dollars' worth of work under "Armor and armament," your charges would be fifty-fifty; if you cut one in two it would stop the work under "Ordnance and ordnance stores," and if you prorated the expenses, then it would fall on whichever one was cut.

Mr. KELLEY. It would if you were limited by some provision of law, but what would prevent you from transferring from one to the other?

Admiral McVAY. Simply because we do not do it that way.

Mr. KELLEY. I am not saying you do, but I am asking whether you could not do that? Are you prohibited from doing it in any way except by order of the Secretary?

Admiral McVAY. Well, it never occurred to me that you could do it in any other way than this one way.

Capt. BLOCH. I think you are prohibited by law from doing it. I think the law is very specific in terms.

Mr. KELLEY. What does it say?

Capt. BLOCH. That the money that is given under "Increase of the Navy" shall only be applied to new construction for "Increase of the Navy."

Mr. KELLEY. But under the increase of the Navy comes the cost of the thing you manufacture?

Capt. BLOCH. Yes, sir.

Mr. KELLEY. And could it not be properly said that the coal you use in creating the power and the tools you use—

Capt. BLOCH (interposing). Only on those jobs.

Mr. KELLEY. I am taking those jobs.

Capt. BLOCH. Your conscience would not permit you to do it, but irrespective of that the auditing department would get you.

Mr. KELLEY. But how would they know what proportion of the work in the Washington Navy Yard was new and what proportion was old?

Capt. BLOCH. The accounting department has representatives there; they are there and that is what they are there for; they are officers of the auditing department.

Mr. KELLEY. Let us back up to the beginning again, because I am not quite clear which way this is. Is this the only fund out of which the maintenance of the Washington Navy Yard can be paid, or the repairs in the Washington Navy Yard, either buildings, machinery, or grounds?

Admiral McVAY. You must separate in your mind the Washington Navy Yard and the Naval Gun Factory.

Mr. KELLEY. I will take the naval gun factory. Is this the only appropriation out of which you can repair the plant itself; keep up the plant itself or repair the machinery?

Admiral McVAY. This is the only appropriation.

Mr. KELLEY. If you are manufacturing new material there for new ships that are not yet in commission, is not a proper charge against that new construction a certain portion of the expense of upkeep of your naval gun factory, and do you not absolutely charge that against this new construction?

Admiral McVAY. No; I do not think so.

Mr. KELLEY. You were the commandant there, and you ought to know how that works.

Admiral McVAY. I was trying to think of any way it could be done, and I do not know of any maintenance coming out of it.

Mr. KELLEY. You just admitted a few minutes ago that the power was divided.

Admiral McVAY. That is operation.

Mr. KELLEY. What is the difference between maintenance and operation?

Admiral McVAY. Maintenance is for the upkeep.

Mr. KELLEY. Do you mean that maintenance and repairs are the same? I supposed that the words "maintenance and operation" were almost interchangeable.

Admiral McVAY. No, sir.

Mr. KELLEY. What is the difference between them?

Admiral McVAY. I was public works officer there, too, and I was trying to define that as we used it under "Yards and Docks" and seeing whether or not it would apply to us. Maintenance applies to movable things and repairs to fixed things.

Mr. KELLEY. That is to say, any expense you put on for the handling of a movable tool is maintenance?

Admiral McVAY. Yes.

Mr. KELLEY. But if it is a fixed tool it is operation?

Admiral McVAY. No; that would be repair. Here is the difference: For instance, you take a house. The furniture is movable, that would become maintenance; the house is fixed, and that would be repair.

Mr. KELLEY. Let us see whether that is so. Here is a building, and you need a janitor, maybe five janitors, to take care of that building. What is that?

Admiral McVAY. Under us it is "Ordnance and ordnance stores," but I do not know what they call it under "Yards and Docks."

Mr. KELLEY. It is maintenance, of course, is it not?

Admiral McVAY. That is maintenance; yes.

Capt. BLOCH. There is a provision of law which prohibits the prorating of any classified force. All of the classified force, the technical, clerical, inspection, and messenger force, must necessarily be paid out of this appropriation that you are considering, and no part of that may be prorated to any other appropriation. For instance, all the drafting force, all the technical force, and all the inspection force for increase of the Navy must necessarily be paid from this appropriation; you can not pay one cent of it under increase of the Navy.

Mr. KELLEY. I understand that. One of the big items is fuel—is that prorated?

Capt. BLOCH. Power is prorated to the various tools that use it, and if a tool is working on "Increase of the Navy," our power expense is charged against that.

Mr. KELLEY. What else is prorated?

Capt. BLOCH. The use of oil is prorated, of course; the use of tool steel is prorated to the various job orders; foremen are prorated; all of the supervisory force is prorated; they all come under operating expense. Now, you might have a machine tool in a certain shop that had been working on nothing but guns for new construction

for 10 years, and that machine tool would wear out and require replacement; it could not be replaced under that appropriation; in other words, you have no depreciation charge which is charged against these things and laid aside for the replacement of such a tool.

Mr. KELLEY. And when you did get around to replacing it it would come out of this appropriation?

Capt. BLOCH. Yes, sir.

Mr. KELLEY. Do you not have to have a special appropriation for that?

Capt. BLOCH. Not for a machine tool; no, sir.

Mr. KELLEY. It would not be a repair if you got a new one?

Capt. BLOCH. No; that is quite true; and in the past when we have required large and expensive tools for some of these guns, tools costing as much as \$200,000, this appropriation could not stand it, and we have asked for a special appropriation and have gotten it.

Mr. KELLEY. How could you tell anything about what new construction would cost you in that way, inasmuch as it does not get into the appropriation at all?

Capt. BLOCH. We can tell in this way: We can estimate the cost of labor and the cost of material and the overhead that certain jobs are carrying down there and add that on to it, and that is the estimated cost of the item.

Mr. KELLEY. Your watchmen and all employees that are attached to the yard, no matter what the yard is doing, whether it is engaged on new work or old work, are paid out of this fund, are they not?

Capt. BLOCH. Yes, sir; not only in the yards but in every place under the Bureau of Ordnance. For instance, at the navy yards we have a certain prorated amount of this clerical and technical force to carry.

Mr. KELLEY. Then it is not at all true that this is the only fund that you have to pay for all labor and all material used in any plant?

Capt. BLOCH. I do not quite understand you.

Mr. KELLEY. You said that the expense of the supervisory force was divided?

Capt. BLOCH. Yes, sir.

Mr. KELLEY. If a part of the yard was engaged on old work and a part on new work, all the expense of supervision would be divided; so that your foremen would be paid partly out of this fund and partly out of "Increase of the Navy"?

Capt. BLOCH. That is correct; sir.

Mr. KELLEY. The same thing is true of the oil you use?

Capt. BLOCH. Yes, sir.

Mr. KELLEY. And the same thing is true of your fuel and you power of all kinds?

Capt. BLOCH. I think heat is carried entirely as a maintenance charge, so that the portion of the fuel that goes to heat is carried as a maintenance charge and not as operation at all.

Mr. KELLEY. How about the light?

Capt. BLOCH. I think that is carried as a maintenance charge absolutely.

Mr. KELLEY. What I am getting at is this: You have this fund of \$17,500 and over in another place a fund, we will say, of \$5,000,000—is it not the simplest thing in the world to put the items under either heading, under maintenance in anyone of your institutions?

Admiral McVAY. No, sir.

Mr. KELLEY. Have you not a provision in the law regulating your expenditures, which authorizes you to consider all of your appropriations as one sum?

Admiral McVAY. No, sir.

Capt. BLOCH. We have a law that dates back three or four years I believe; I think that is the one you are speaking of, and that says that all materials that are purchased—

Mr. WERNITZ (interposing). We had several statutes during the war which permitted us each year to carry forward the remaining balances and allowed us to use the remaining balances under certain appropriations for the next year, if that is what you are referring to.

Mr. KELLEY. What were you about to say, Capt. Bloch?

Capt. BLOCH. I was trying to think of some law which dated back to 1913, that had to do with something where we took all of our ordnance accounts, material purchased under ordnance accounts out of naval supplies account, and then we carried our own supplies.

Mr. KELLEY. No; I did not mean that, because I understand you handle your supplies independently of the Bureau of Supplies and Accounts, that is, in a sense.

Capt. BLOCH. In a sense; yes.

Mr. KELLEY. But what I am speaking of is a provision which was put in, I have forgotten when, but it seems to me it was within the last five or six years.

Capt. BLOCH. That is, material that has been purchased, after it has been purchased, can be used for another account without a transfer of appropriations—is that the one you mean?

Mr. KELLEY. Perhaps that is what I had in mind, that after material had been purchased and it was put into your stock you could switch it around wherever you pleased and use it for any purpose you saw fit. I am not saying you do that, but I am asking whether you could do it.

Capt. BLOCH. If we did do that we would say so, sir.

Admiral McVAY. I think I know what you mean, but that came up in the case of a gun.

Mr. KELLEY. This provision was carried on this item at one time.

Provided further, That ordnance materials procured under the various ordnance appropriations shall hereafter be available for issue, to meet the general needs of the Naval Service, under the appropriation from which procured.

Admiral McVAY. What year was that?

Mr. KELLEY. July 1, 1918. The word "hereafter" was put in, which makes that permanent law.

Admiral McVAY. We had an "ordnance and ordnance stores" gun that we could not put on an "armor and armament" ship and I think that is what brought that up.

Mr. WERNITZ. It meant a tremendous amount of bookkeeping in keeping track of your stores, but it does not authorize you to pay under any appropriation any more than is required.

Mr. KELLEY. The effect of that appropriation is really to give you a lump sum for all of your material, is it not?

Admiral McVAY. No, sir. The practical working of that is this: Suppose under "Armor and armament" you buy guns for a ship, and you have an accident to a gun, and you have no gun to put on board which is manufactured originally under "Armor and armament," but you have a gun manufactured under "Ordnance and ordnance stores"; you can put a gun on the ship to take the place of the damaged one while it is being repaired, but under the law as it formerly existed we could not put it on, so that was the reason for that provision.

Mr. KELLEY. That is undoubtedly a good illustration of what you can do under it, but this language is very broad: It says:

Provided further, That ordnance materials procured under the various ordnance appropriations—

That is, including this appropriation and the ordnance material procured under the appropriation "Increase of the Navy"—

shall hereafter be available for issue, to meet the general needs of the naval service, under the appropriation from which procured.

That means regardless of the particular appropriation under which they come.

Admiral McVAY. While it says that, I do not think that was exactly what was meant. Take another case. Suppose we should go to war to-morrow and a new ship was building and we did not have any torpedoes under that appropriation to put on the vessel. Under this provision we could take torpedoes, put them on that ship and send her out to fight and not wait to finish the torpedoes under the appropriation out of which the ship was built.

Mr. KELLEY. I concede that it is rather a handy arrangement to have so that you can do that, and, perhaps, it is necessary, but I am only asking you as to the fact; that is, whether or not that could be done.

Admiral McVAY. Frankly, I do not think it could be done.

Mr. KELLEY. Suppose you had all the material for the 1916 program, no matter where, and you needed that material to repair the *Pennsylvania*. Why could you not use it?

Capt. BLOCH. You could, but you could not do any more for your new construction. You see your new construction only gives you authority to have enough for that new construction, and if you use that for something else then you are in a hole for your new construction, and as you have made this interchange you have no more authority to purchase out of the appropriation because, in the first place, it gives you authority to purchase the armor and armament for that ship and you can not purchase any more than that for that ship.

Mr. BYRNES. The reverse of that would be true. If anything happened to a gun on one of the ships under the new program, you could take the material that was ordered under this and supplant it and you would not be hurt, but if anything purchased under this was damaged and you took the material that was purchased on account of new construction, you could not replace that.

Capt. BLOCH. Yes; it is just as broad as it is long, sir, that you have so much money under this appropriation and the estimates are

made with the idea of doing certain work under this appropriation, and if in the course of the year you took a gun that breaks, under this appropriation, and you replace it from the new construction funds, then you must replace the new construction gun from this appropriation.

Mr. BYRNES. I see that very clearly, but I wondered how it would work the other way.

Capt. BLOCH. I think it is just the same thing, sir.

Mr. KELLEY. Suppose you had used the guns intended for the *Maryland* for some other ship, that you took some particular material which you had originally designed for the *Maryland* and put it on the *Pennsylvania*, under the force of necessity, what is there, when you bring in your estimates this year, to prevent you from including another appropriation for the *Maryland*? What is to prevent your doing it? I do not say you are doing it, or would do it.

Admiral McVAY. That could not be done, because we itemize everything we are going to purchase.

Mr. KELLEY. But there has never been any language which would indicate what ship the ordnance was to go on.

Admiral McVAY. Yes, sir; new ordnance always.

Mr. KELLEY. It does not say it shall be used on the *Maryland* or any other ship.

Admiral McVAY. Except that if you appropriate for six ships you appropriate for the guns, ammunition, and outfits for those six ships, and if you appropriate for but one ship it would be limited to that ship.

Mr. KELLEY. It would be one of those six?

Admiral McVAY. Yes, sir; and the first one that comes along. For instance, it happens now, where we are building ships, that as the ships are delivered, and contractors call for certain material we do not care whether it is for the *Maryland* or for the *Colorado* or what, but the first one that wants it gets it; we put it on that ship; but that is entirely covered in the appropriation.

Mr. KELLEY. If you could apportion the expense of the power at the Washington Navy Yard to new construction and to this item, why could you not apportion the maintenance of the buildings?

Admiral McVAY. Because when you appropriate under one appropriation for a specific thing you can not take money from another appropriation for the same thing.

Mr. KELLEY. Well, this is for the maintenance of all, and that is one of the chief items of maintenance, the power.

Admiral McVAY. No; we do not call it such; we call it an operating expense; that is not a maintenance or upkeep charge, it is operation, just the same as the operating of a tool by a man.

Mr. KELLEY. And the watchmen of the buildings in which you perform these various operations for new construction—where do they come?

Admiral McVAY. The watchmen come under "Ordnance and ordnance stores."

Mr. KELLEY. Under maintenance?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Why would they not come under operation?

Admiral McVAY. Because they are under the classified. You see, under this there is an amount for classified services, which is limited.

Mr. KELLEY. Take your railroad tracks and locomotives. Does the upkeep of those come under maintenance or operation?

Admiral McVAY. Maintenance.

Mr. KELLEY. Is not that operation?

Admiral McVAY. That is an operating expense, but it is not divided that way.

Mr. KELLEY. In other words, this is a purely arbitrary arrangement, is it not, and you could divide this whole expense down there, except where you are directly prohibited by law, as in the case of classified employees, if they are prohibited by law from being paid out of that fund?

Admiral McVAY. Yes.

Mr. KELLEY. Take the care of your locomotives, the care of your railroad tracks and the men employed upon the locomotives in handling your new material—why could you not apportion that just as you would power?

Admiral McVAY. There is a difference between an operating expense and a maintenance expense. The maintenance expense is to keep it ready to operate, while the operating expense is operating.

Mr. KELLEY. Well, take your trucks and the chauffeurs driving them.

Admiral McVAY. We do not have any of those at the Washington yard.

Mr. KELLEY. But you have them everywhere else. Do they represent an operating expense and do they come out of this fund?

Mr. BYRNES. That ought to be easy, because if you are going to draw a distinction, I think Mr. Kelley has given you the best one.

Admiral McVAY. I believe that is an operating expense.

Mr. BYRNES. You are not sure whether it would be paid out of this fund or not?

Admiral McVAY. I can not right out of my mind tell you, but I believe that is an operating expense.

Mr. KELLEY. The rule that Yards and Docks laid down was that transportation was maintenance.

Capt. BLOCH. Our appropriation covers that; we only have authority to pay for motor trucks and horse-drawn transportation under this appropriation; the wording is there.

Mr. KELLEY. That would be a maintenance charge?

Admiral McVAY. It says:

For the maintenance, repair, or operation of horse-drawn and motor-propelled freight-and-passenger-carrying vehicles, to be used only for official purposes at naval ammunition depots, naval proving grounds, naval ordnance plants, and naval torpedo stations.

So we can only pay—

Mr. KELLEY (interposing). It does not say "only," does it?

Admiral McVAY. But it means only, because it appropriates here for that purpose in so many words; and where you have one appropriation, then by law you can not use another for that purpose.

Mr. KELLEY. There is an appropriation for fuel, too, is there not?

Admiral McVAY. It says here for fuel of plants.

Mr. KELLEY. How could you apportion your fuel charge to new construction and pay for that out of another fund or part of it?

Admiral McVAY. Only because these things that are mentioned here are for the maintenance of the plant and the fuel is for the operation of the plant; it does not maintain the plant.

Mr. KELLEY. The words "maintenance" and "operation" are so nearly synonymous, as distinguished from repairs, that I do not see how you can keep the thing separate at all, if you get money from any other fund besides this.

Admiral McVAY. As I say, we have never had any trouble, and it has never occurred to me.

Mr. KELLEY. There would not be any trouble about it. If you did not have money enough in this fund, you would have another fund which would be available for that purpose, and it would show it in the cost of the production of new material.

Admiral McVAY. No, sir; we do not do that.

Mr. KELLEY. I did not say you do it, but I am trying to find out how you do handle it and whether or not money appropriated for new construction, a portion of it, is not used for the maintenance of these yards.

Admiral McVAY. No, sir; it can not be used.

Mr. KELLEY. It is used for the operation of the yards.

Admiral McVAY. For the operation where it is a definite charge in producing material under a certain appropriation. For instance, suppose we would take any ordnance station and we did nothing except for "Armor and armament"; the cost of producing, say, projectiles would all come under "Armor and armament."

Mr. KELLEY. And you would not get anything out of this fund at all?

Admiral McVAY. No; except the maintenance of the station, keeping it ready to operate; but the operation of it, the producing side of it—

Mr. KELLEY (interposing). But you say you do pay for all of your hauling and all of your transportation?

Admiral McVAY. Because that is under this maintenance charge.

Mr. KELLEY. But you pay that out of this?

Admiral McVAY. Yes, sir; out of "Ordnance and ordnance stores."

Mr. FRENCH. If you wanted to know accurately the cost of any particular output of your plant, why would you not need to prorate the heat and light to that particular output? It seems to me a private concern would need to know that, else it would go bankrupt, if its heat and light expenses were considerable.

Capt. BLOCH. I think I can answer that question in this way—

Mr. FRENCH (interposing). Let me say this: It is probably not so necessary other than to find out what the ultimate cost of a product is, because you are not selling the product; you are keeping it; but if you were disposing of your product and wanted to know what the cost of the product was in comparison with the cost of the same product as produced by a private concern, then it would be an important element.

Capt. BLOCH. I might start by saying that there seems to be some confusion about the authority of the Chief of the Bureau of Ordnance to establish his own accounting instructions; the Chief of the Bureau of Ordnance has no right to establish his own accounting instructions; they are established by the Secretary of the Navy and he has as his advisers a number of expert accountants who are known as

the Bureau of Supplies and Accounts; they advise the Secretary of the Navy as to how to make the accounting constructions. They separate very clearly what operation, maintenance, etc., is; and the Chief of the Bureau of Ordnance, once these instructions are established, must see that the accounts are kept in that way, and he has no arbitrary right to change those accounting instructions. In some cases the accounting instructions are conflicting; the words are so nearly synonymous and close together that it is hard to separate them in your mind unless you understand it very clearly. Now, the classified force must come out of this one appropriation, and if something is being built under new construction, which is being built under another appropriation, no portion of this must be prorated to that; that is prohibited by law, so that you can not get the total into your appropriation; that is, what it costs the appropriation to produce an article.

But in addition to that appropriation cost they have at all navy yards kept another charge, known as the red-ink charge, which includes all these items that you speak of and which we are not allowed to charge to the cost of production. In comparing our price of production to the price of production on the outside we must take our cost of production and add the red-ink charge to it, and in that way we find out what it really costs the Government. You might say that officers' salaries needed to go into this thing, as well as fuel, light, water, maintenance, and hundreds of other little things which, under the law, we can not charge to those appropriations, and that answers your question about getting the total cost of the product, because these charges are available to be added to the production cost, and you can see at a glance what the thing would cost.

Admiral McVAY. In other words, we can tell you the cost of any product at any plant, the same as any private concern.

Mr. KELLEY. If you add the red-ink charges to the other charges?

Admiral McVAY. Yes. So, as a matter of fact, we have a comparison.

Mr. FRENCH. This inquiry of mine is a little apart from the thought that Mr. Kelley had in mind, but since we were up against the proposition I was rather interested in finding it out, because we do hear debated the question of whether or not a navy yard can produce a battleship as cheaply as a private construction company can produce it.

Admiral McVAY. We can tell you exactly the cost of any article delivered just the same as a commercial concern.

Mr. BYRNES. Though it may not be relevant, it was a very interesting question to ask, and I do not understand the answer as well as I should. Under this new program suppose you were having a battleship constructed at the Norfolk yard. You say that such things as light, fuel, and other items are not charged up to this battleship, but that there are red-ink charges. Is that right?

Admiral McVAY. We are limiting our answers to ordnance matters.

Mr. BYRNES. Well, call it anything, but some authorized construction is going on at the Norfolk yard.

Mr. KELLEY. The rule, Mr. Byrnes, seems to be a little different, according to what Admiral Parks said. The Bureau of Yards and

Docks does not have anything to do with the ordnance plants, but does with the navy yards. The Bureau of Yards and Docks pays all the cost of repair and maintenance of the buildings, the grounds, the railroad tracks, the docks, the wharves, and the machinery which can be moved around in the yard, like cranes, and they stop there, and then they apportion the power to the shops, the industrial part, and to the amount used by the Bureau of Yards and Docks in lighting the streets, lighting the yard, and all that sort of thing. They apportion heat, power, and coal.

Then the expense of repairing the tools inside the shops, and all that kind of thing, is apportioned to the work that is being done and not charged to Yards and Docks at all.

Mr. BYRNES. Then that would answer Mr. French's question. Suppose it were a gun that was being manufactured. They say there is a red-ink charge which, added to the apparent cost, would give the total cost, but if that red-ink charge includes all the expenses at that yard, how in the world do they ever ascertain the exact amount that should be apportioned to the particular article which is being produced? You say that if a gun is worth \$1,000,000 that such and such a proportion of this red-ink charge should be allotted to it.

Admiral McVAY. If there is \$5,000,000 worth of work at the yard and the gun cost \$1,000,000 of that amount, one-fifth of that would go to the gun.

Mr. FRENCH. Say one battleship has been completed at a cost of \$22,000,000; does that item include the red-ink charge too, so that it is possible the battleship cost \$30,000,000?

Admiral McVAY. You are getting outside of my bailiwick now; that is a Supplies and Accounts matter.

Mr. KELLEY. The fact is that each one of these establishments has two sides to it, an industrial side and a military side, and such items as somebody has thought to be a fair proportion for the military side to carry, either in red ink or in any other color, get into the cost of the commodity made in the navy yard or the station.

Capt. BLOCH. That goes in in red ink.

Mr. FRENCH. What I had in mind was this: I was running over the cost of various battleships constructed by our country, Great Britain, Japan, and so on. For instance, here is a battleship built by Great Britain at a cost of \$45,000,000. The building of a battleship in Great Britain involves that much altogether. In comparing that total cost with the cost of building a battleship of our own, amounting, say, to \$32,000,000 or \$33,000,000, do we omit to put into the total cost a lot of expenses, such as heating and lighting, for maintaining the plant, that it would seem could properly enter into the total cost of building that ship?

Admiral McVAY. Of course, I am free to say, I know nothing about that.

Mr. KELLEY. It would depend upon which figure you gave us, whether you used the black ink or the red-ink figures, or whether it was the black-ink figures with the red-ink figures added to them.

Getting at the question Mr. French had particularly in mind, the apportionment of the expense of maintaining the navy yards which is properly chargeable to the military side is more or less elastic, and must of necessity be, so that just how much of the red-ink figures

you would put on would be a matter of your own judgment, and you could make your showing anything you like by saying this is the military side, which should carry more or less.

Admiral McVAY. The charges to the military side of the navy yard are handled in this way: Under the accounting instructions which are gotten out by the Bureau of Supplies and Accounts and approved by the Secretary of the Navy, the commandant of any yard orders a board of three officers to make a report, and that board reports what is military and what is not.

Mr. KELLEY. And those two boards would report the same, probably.

Admiral McVAY. It comes up first to the Bureau of Supplies and Accounts and then goes to the department and is approved or disapproved or reregulated.

Mr. KELLEY. If you were on one of those boards and wanted to make a good showing for that yard, all you would have to do would be to charge a very little more on the military side.

Admiral McVAY. That does not help the yard in its showing.

Mr. KELLEY. That does not help the yard in its costs?

Admiral McVAY. No, sir; because, no matter what you do—when we make out our costs—I do not know anything about the other bureaus—no matter what we put down as the actual cost, we also carry all of that red-ink cost.

Mr. KELLEY. That is all military?

Admiral McVAY. Yes, sir. We even carry it down to the officers' salaries.

Mr. KELLEY. You do not apportion the military cost, but you add it all to the industrial side?

Admiral McVAY. We carry that in the red-ink charges. In other words, we know the proportionate amount of every dollar spent in the yard that should go on that particular project, and when you ask me what the cost is I could give you the cost which is the charge on that gun, for instance, as delivered aboard the ship, to the appropriation. I can also give you the red-ink charges which would be in the proportion of every other charge at that station.

Mr. KELLEY. That is according to your judgment?

Admiral McVAY. According to the figures.

Mr. KELLEY. Coming back to this particular appropriation, let me see if I have a correct understanding of what you can do with this fund. This is a fund of \$17,500,000, which you are asking for for the purpose of maintaining the ordnance plants of the country and supplying all the necessary material and hiring all the necessary labor that enter into the repairs not only of the plants themselves but of the ships now in commission; and it also includes its pro rata share of the cost of power, but it does not include the repair of machinery used on new construction. Is that right?

Admiral McVAY. Except the repair on machinery for new construction. That is included in this.

Mr. KELLEY. Will you, Capt. Bloch, make a statement paralleling mine, stating exactly what this can be used for with reference to old construction and new construction, and with reference to maintaining the yard and station and making all necessary repairs, and all that sort of thing, on the plant? We want a proper view of this

matter to determine what other funds can be drawn upon in any degree to maintain or keep up one of these stations, or to operate it.

Capt. BLOCH. In the first place, this appropriation gives nothing to the maintenance of the principal navy yards of the country.

Mr. KELLEY. I understand that.

Capt. BLOCH. We are only concerned with the number of Navy ordnance establishments. The Washington Navy Yard is partly a Navy ordnance establishment and partly a yard maintained by Yards and Docks.

Mr. KELLEY. It is pretty nearly all ordnance?

Capt. BLOCH. It is pretty nearly all ordnance, but there is a distinction in the organization, and the Bureau of Yards and Docks does supply something.

Mr. KELLEY. We carry a small item there, but, relatively, it is a gun factory almost entirely.

Capt. BLOCH. Yes, sir; it is principally a gun factory.

Admiral McVAY. Between 97 and 98 per cent.

Mr. KELLEY. So you could disregard the rest, practically, for purposes of definition?

Capt. BLOCH. Yes, sir; but I want you to have a complete idea.

Mr. KELLEY. I have that fully in mind. This is the rule I am trying to set up, to show whether or not any other funds are available for that purpose for the Washington Navy Yard or any other navy yard wholly within your jurisdiction.

Capt. BLOCH. Take the ship which is nearest completion. As soon as she becomes a completed ship she becomes an old ship. If she has just been completed two days she is an old ship, and every cent put into that ship in the way of repair or modifying or modernizing or maintaining her ordnance material on board is a proper charge against this appropriation.

Mr. KELLEY. The material and labor?

Capt. BLOCH. The direct labor and indirect labor, both productive and overhead labor and the materials that go into those operations at the yard. According to the accounting instructions, they have a way of determining, by timekeeping, the amount of direct labor; and by rules which have been established, and which you think are arbitrary, the Chief of the Bureau of Ordnance can determine the indirect cost to be applied to that ship, which are uniform for all yards, and all of that comes out of this appropriation. In addition to that we have certain charges—

Mr. KELLEY (interposing). Do you mean by that that all the men in the Washington yard who are working on old material—

Capt. BLOCH. Yes, sir.

Mr. KELLEY. Old construction are paid out of this fund?

Capt. BLOCH. They must be paid out of this fund.

Mr. KELLEY. And such part of the expense—

Capt. BLOCH (interposing). Indirect.

Mr. KELLEY (continuing). Is susceptible of apportionment between new material and old material is also paid out of this fund?

Capt. BLOCH. Yes, sir.

Mr. KELLEY. The superintendent of the yard—the foremen who are working around the yard—and could not be assigned to any particular job?

Capt. BLOCH. That is prorated between the two. In addition to that, you have certain other things there which are covered by target practice, amounting to several hundred thousand dollars, such as projectiles, principally for target practice, target screens, halyards, etc., for the conduct of target practice by the fleet. That must be paid from this appropriation. I think there is a limitation or an authorization of \$2,000,000 placed in this appropriation for all the technical force, the clerical force, for the inspection force, and for other work; no matter whether it is completed under this or other appropriations, it must all be paid for under this appropriation.

Mr. KELLEY. The upkeep of the movable machinery about the yards, like the cranes, I suppose. If it is being used on new construction, which fund bears the expense?

Capt. BLOCH. Before going to that I would say that the only yard that I know of that we are concerned in largely—that is, the Washington yard—is the only yard where they are divided into industrial and military expense. At all our other places, like ammunition depots, it is either military or industrial—one of the two. Where they are industrial they are all carried in the cost of production; where they are military there are no charges on the industrial side.

Mr. KELLEY. I want to know about this \$17,500,000 fund.

Capt. BLOCH. I am trying to get it as clear as I know how, and I think I will simplify it when I say that the Washington yard is the only place we have to deal with that has a separation of the expense of the yard into military and industrial. At all of the other places the expense is either entirely industrial or entirely military, and consequently the cost of anything would be shown in its entirety on the accounting books.

Mr. KELLEY. The Washington yard is your big project, and it is probably as large as all the other places combined.

Capt. BLOCH. I would not say that, but it is our big project.

Mr. KELLEY. Which fund takes care of the expenses of the cranes and locomotives that are engaged on new construction?

Capt. BLOCH. I believe that is all carried under the Bureau of Yards and Docks in the Washington yard, under maintenance.

Mr. KELLEY. They do not go that far down here.

Capt. BLOCH. We pro rate it.

Mr. KELLEY. I see you want to omit the word "watchmen."

Admiral McVAY. We wish the watchmen taken out of that appropriation?

Mr. KELLEY. Where would the men be paid?

Admiral McVAY. Under this same appropriation, from the labor appropriation instead of under this classified appropriation.

Mr. KELLEY. What harm does it do to leave this in?

Admiral McVAY. If you cut down on the Marine Corps, we will have to furnish a lot more watchmen, and we will not be able to get them, because since it is mentioned in this place we can not employ them under the general fund. It all comes out of the general fund.

Mr. KELLEY. If we omit the word "watchmen" at this point, what will the effect be?

Admiral McVAY. We can take them out of the other part, out of the same appropriation, but not under this limitation. It is the same money, and there is no change.

Mr. KELLEY. There is a limitation of \$2,000,000, and if you reduce the number of men in the Marine Corps you might have to hire watchmen, and you think \$2,000,000 might not be sufficient?

Admiral McVAY. It would not. We might have to get that elsewhere.

FOR RELINING GUNS.

Mr. KELLEY. Let us take up the \$17,500,000 item and analyze it by objects. For relining guns you have an estimate of \$880,000; for overhaul and repair work on guns you have an estimate of \$796,000; for one dirigible type of gun you want \$9,500; for 37-millimeter guns, spare parts, you ask \$37,500; for two tank trucks, gasoline, you ask \$9,000. Take those two items for the relining of guns and give us the history for the necessity for those two items.

Admiral McVAY. We estimate for 15 of the 14-inch 50-caliber guns to be relined. The unit cost of material is \$10,500, the unit labor cost of \$7,000, and the whole cost is \$105,000. We have the liners. Of the 14-inch 45-caliber guns there are 10 to be relined. The unit cost of the material is \$7,500, the unit cost of the labor is \$6,750, and the whole cost is \$67,500. Of the 12-inch 50-caliber guns there are 10 to be relined. We have the liners for those.

The unit cost of material is \$9,000; the unit cost for the labor is \$6,800; and the total cost is \$66,000. Of the 12-inch 45-caliber guns there are 12 to be relined. We also have the liners for those. The unit cost for material is \$6,500; the unit cost for labor is \$6,500; and the total cost is \$78,000. Of the 8-inch 45-caliber guns there are 8 to be relined; the unit cost for the material is \$2,500; the unit cost for the labor is \$4,000; and the total cost is \$32,000. Of the 6-inch 50-caliber guns there are 10 to be relined. There are 10 liners to be purchased. The unit cost of the material is \$1,200; the unit cost of the labor is \$2,600; and the total cost is \$38,000. Of the 5-inch 51-caliber guns there are 75 to be relined. There are 35 liners to be purchased. The unit cost of the material is \$850; the unit cost of the labor is \$2,200; and the total cost of those guns is \$194,750. Of the 4-inch 50-caliber guns there are 100 to be relined. We have all the liners for those guns. The unit cost of the material is \$550; the unit cost of the labor is \$1,900; and the total cost is \$190,000. Of the 3-inch 50-caliber guns there are 75 to be relined. There are 75 liners to be purchased. The unit cost of the material is \$350; the unit cost for the labor is \$1,100; and the total cost for those guns is \$108,750. The total estimate for all these guns is \$880,000.

Mr. KELLEY. What is the total number of liners?

Admiral McVAY. There are 120 to be purchased.

Mr. KELLEY. How many all told?

Admiral McVAY. There are 315 guns to be relined.

Mr. KELLEY. How many guns are there in the Navy ships that are in commission of these types to be relined; that is, the total number of guns on all the ships of the Navy, including all guns of these types to be relined?

Capt. BLOCH. About 3,200.

Mr. KELLEY. Is it necessary to reline all those this year, Admiral?

Admiral McVAY. I think so; yes, sir.

Mr. KELLEY. Is this an estimate of the number you will probably have to reline?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Without knowing specifically the guns that are to be relined?

Admiral McVAY. We know specifically the guns we are going to reline.

Mr. KELLEY. Take the 14-inch gun; where are they?

Admiral McVAY. The first ones—we have just shipped the guns, or are shipping the guns, for the *New York*.

Mr. KELLEY. Will that put the *New York* out of commission while this work is going on?

Admiral McVAY. No, sir; because we will have the guns there. For instance, we have been notified recently that the *New York* will be available on June 1. We are shipping the guns out there to have them all ready before June 1 at the yard. When the ship comes to the yard—just before she comes—they will loosen up the bolts and do all the work they can do on the ship, and she comes in and goes alongside the dock, and if there is nothing else to do on the ship she can get those guns off right away and put these back, and do that very rapidly.

Mr. KELLEY. You take the old guns off and put these guns on?

Admiral McVAY. Yes, sir.

Mr. KELLEY. And then ship the old guns back here and reline them?

Admiral McVAY. Yes, sir. Then we reline those and have them relined by the time the *Texas* or the next ship would reach the point where they must be relined. The next ship on the list, I think, is the *Arkansas*.

Mr. KELLEY. How many rounds would a gun fire before it has to be relined?

Admiral McVAY. Over 100.

Mr. BYRNES. In doing this relining you just pull the lining out and put in a new lining?

Admiral McVAY. Just like putting in an inner tube in an automobile tire.

Mr. BYRNES. How expensive is the relining?

Admiral McVAY. The unit cost for the 14-inch, .45-caliber gun is about \$14,000.

Mr. BYRNES. At that rate you can figure the cost of firing, I suppose. About how much would that be?

Admiral McVAY. The cost of firing is about \$140 on the cost of the gun. That is the depreciation.

Mr. BYRNES. What is the depreciation by reason of the firing, if you have to pay \$14,000 for relining the gun after it has been fired 100 times?

Admiral McVAY. That would be about \$140.

Mr. BYRNES. That is quite expensive, is it not?

Admiral McVAY. That is not so expensive as spending the cost of a new gun.

Mr. KELLEY. You have gone through the list and know what particular guns these are that you are asking to have relined?

Admiral McVAY. Yes, sir.

Mr. KELLEY. It is not an estimate that you will need about that amount of money?

Admiral McVAY. No, sir; this is something we must do.

Mr. KELLEY. If it were advisable you could furnish a list of the various guns?

Admiral McVAY. Yes, sir.

Mr. KELLEY. They are to be relined when they have reached the 100-round stage?

Admiral McVAY. Yes, sir.

Mr. KELLEY. That is in the case of the 14-inch guns?

Admiral McVAY. Yes, sir. That is not with the full charge.

Mr. KELLEY. Of the item of \$880,000 for relining guns, how much is for material; that is, what is the total amount for material?

Admiral McVAY. \$68,000.

Mr. KELLEY. That is for material?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Does that mean that that is all the material that you will need, or that all the rest of the material is on hand?

Admiral McVAY. That is what we need. The rest of the material is on hand. Out of the total number of liners there are 195 on hand.

Mr. KELLEY. So that you do not need to purchase those?

Admiral McVAY. No, sir. The total amount for material is only \$68,000.

Mr. KELLEY. And the balance of the \$880,000 is for labor?

Admiral McVAY. Yes, sir.

FOR OVERHAUL AND REPAIR WORK ON GUNS.

Mr. KELLEY. Take the next item, for overhaul and repair work, and give us the history of that item, which amounts to \$796,000.

Admiral McVAY. That comes under the general heading of rebuilding guns and repairs other than relining.

Mr. KELLEY. Have you a list of the different types of guns? Are they the same as you had for the relining—that is, the different sizes?

Admiral McVAY. No, sir. There would be the same general sizes, but there would be changes we would want to make either in the mounts themselves or in the sights, and all that sort of thing, incident, I should say, as a general proposition, to the increased elevation of the gun and getting increased range. This is one of the improvements I was telling you about.

Mr. KELLEY. Of course, this item has no relation to the other one. They might be entirely different guns.

Admiral McVAY. They might be; yes, sir. Then they might possibly be the same guns. But it has no relation to the other item.

Mr. KELLEY. Is this an estimate?

Admiral McVAY. It is based on the actual guns to be relined. This whole estimate is finally approved first by me and then by the Secretary of the Navy after I have first chopped it down, the original estimates of the different officers in the bureau who have charge of the different branches of the work. They submitted estimates amounting to \$26,000,000, and I said I would not ask for any more money than we had

gotten last year, so I cut it down. Then, as you probably know, we spent several weeks going over all these estimates in the Navy Department with the chiefs of the bureaus in a conference presided over by the Chief of Operations, under instructions from the Secretary of the Navy to cut the estimates down as far as we possibly could, and they were cut down there before we sent them here.

Mr. KELLEY. What I am getting at is this: In making up this estimate of \$796,000, does it have any relation to specific guns?

Admiral McVAY. Yes, sir.

Mr. KELLEY. You know just what guns are to be overhauled?

Admiral McVAY. Yes, sir; we are going to overhaul specific guns.

Mr. KELLEY. Will you give us the number of each size?

Admiral McVAY. I will have to put that in the record.

The specific guns referred to above are 14''/50, 14''/45, 12''/50, 12''/45, 10''/40, 8''/45, 6''/50, 5''/51, 5''/50, 4''/50 and 3'' A. A.

As to the exact number of each type of gun, it is impossible to definitely state this number in advance, as this item covers repairs to these guns as damage and wear occur, in order to keep the ships, which are in commission and on which they are mounted, ready for service.

These estimates are to take care of ordinary repairs and overhauling of breech mechanisms and guns owing to damage and wear incident to service. It also covers care and preservation. The estimate for this same work at the gun factory covers replacement of broken parts and repairs which are beyond the ordinary capacity of the navy yards. It also covers modifying 4-inch breech mechanisms to provide electric firing made necessary on account of the adoption of director firing on destroyers.

Mr. KELLEY. Could that item be possibly reduced?

Admiral McVAY. Mr. Kelley, I do not think it would be wise to reduce it.

Mr. KELLEY. Of course, if we are going to reduce anywhere we do not want to interfere particularly with the guns.

Admiral McVAY. This estimate is an estimate that could not be reduced in any way. If you are going to reduce any estimate, it would be much better to do it some place else.

Mr. KELLEY. That is what all the bureau chiefs say. I realize that ordnance is important; that if we are going to have a ship it should be able to shoot.

Admiral McVAY. There are things in connection with this which I touched on in saying that we were trying to use the lessons we learned in the war in making corrections.

Mr. KELLEY. How much of the \$796,000 is for material?

Admiral McVAY. That runs about 4 to 1, as a rule.

Mr. KELLEY. I suppose this involves some putting in of spare parts?

Admiral McVAY. Putting in spare parts, but chiefly in improvements, getting better elevation, or possibly attaching some new device to the mount, and things of that kind.

Mr. KELLEY. You probably have an abundance of material on hand for this purpose. I always understood from Capt. Bloch and Admiral Earle that during the war we were pretty well fortified.

Admiral McVAY. They did have large quantities of material. This material will be new, chiefly. There is a great deal of it that we have not got that we will have to make.

Mr. KELLEY. Can you tell how much you will have to buy out of this item?

Admiral McVAY. There will be about one-third. For instance, the naval gun factory will have to buy \$150,000 worth of material and will have to have about \$300,000 worth of labor.

Mr. KELLEY. Will you have to buy that material that you are going to use?

Admiral McVAY. We will have to buy it.

Mr. KELLEY. You have not got it on hand?

Admiral McVAY. No, sir.

Mr. KELLEY. Of course, the amount of overhaul next year and the repair on guns will depend more or less on what happens in the fleet. You might need to use it or you might not.

Admiral McVAY. No matter what the fleet does from now on, these guns that need relining must be shipped.

Mr. KELLEY. But the overhaul is more or less dependent upon events, is it not?

Admiral McVAY. No; we want to get them as soon as possible and bring them up to date. As soon as ships go to the yards we take them.

Mr. KELLEY. Are you planning on any repair on the guns back of the dreadnaught type?

Admiral McVAY. No, sir. They are not making repairs.

Mr. KELLEY. Starting with the *Michigan* and *South Carolina* and going down.

Admiral McVAY. The limit is on the 12-inch .45-caliber guns on the *Michigan* and *South Carolina*.

Mr. KELLEY. Were they the first 12-inch .45-caliber guns?

Admiral McVAY. Yes, sir.

Mr. KELLEY. This estimate does not contemplate repairs on the 12-inch .40-caliber guns?

Admiral McVAY. No; we have not got any of those in there.

Mr. KELLEY. Were there not some of the ships that had the 13-inch guns?

Admiral McVAY. They are practically out of commission now—the *Indiana* and that class.

Mr. KELLEY. Of the smaller guns, are they mostly on the destroyers?

Admiral McVAY. We have a great many of the guns on the destroyers, but the secondary batteries on the battleships also have 5 and 6 inch guns.

Mr. KELLEY. You must have a large quantity of 6-inch guns on hand.

Admiral McVAY. We are short on those.

Mr. KELLEY. How many of those?

Capt. BLOCH. We have on hand 57 of one kind, 347 of another kind, and 12 of another kind; a little over 400 altogether.

Mr. KELLEY. How many of those would you say were on the ships?

Capt. BLOCH. We have 194 mounted on ships now, and there are 272 more to go on.

Mr. KELLEY. Are these scout cruisers far enough along to put guns on of this type?

Capt. BLOCH. We will have one commissioned this summer. Some of them are slowed up and others are far advanced.

Mr. KELLEY. Would it not be possible to revise your figures a little and not reline so many of the small ones, and probably where you had an excess of small guns let them run a little bit longer?

Capt. BLOCH. We have not any excess of any auxiliary guns.

Mr. KELLEY. Assuming, of course, that all need relining, possibly you would not need all of the guns for the coming year, or you could take possibly some of the guns you have in store and delay a little on the repairs on some of the others of the small type of guns. What does it cost to reline a 6-inch gun?

Admiral McVAY. About \$3,800.

Mr. KELLEY. Nearly \$4,000 on each one of the small guns?

Admiral McVAY. There are only 10 of those.

Mr. KELLEY. That is \$40,000. How many of the 5-inch guns are there?

Admiral McVAY. Seventy-five.

Mr. KELLEY. And they cost about the same, I suppose?

Admiral McVAY. Just about the same.

Mr. KELLEY. How many of the 3-inch guns are there?

Admiral McVAY. There are 75 of those, and it costs about \$1,450.

Mr. KELLEY. I remember you had a very large number of the 3-inch guns.

Admiral McVAY. We have quite a number of the 3-inch guns; yes, sir.

Mr. KELLEY. Could you not possibly slack up a little on the relining of your small guns without depriving any ship that is going to be put into commission of good equipment?

Admiral McVAY. I do not think it would be wise to do it.

Mr. KELLEY. What part of the \$880,000 item, and the next item of \$796,000, would be due to the small guns?

Admiral McVAY. The small guns would take about \$500,000.

Mr. KELLEY. About one-third of the whole for the small guns?

Admiral McVAY. Yes, sir.

Mr. KELLEY. If you were to reduce, that is one place where you would consider reducing, is it not?

Admiral McVAY. We would consider all of them.

MAINTENANCE OF AMMUNITION DEPOTS, ROUTINE WORK ON OVERHAUL, AND FOR PRESERVING AMMUNITION.

Mr. KELLEY. For the maintenance of ammunition depots, routine work on overhaul, and for preserving ammunition you are asking \$1,786,600.

Admiral McVAY. Yes, sir. The officer at the Hingham station sent in an estimate of what he thought he ought to have, and it went to the officer in charge of the powder section, who cut it down to \$300,000, and it came to me and I changed that to \$320,500, because he had omitted things we thought he had to have.

Mr. KELLEY. That is for the pay of labor?

Admiral McVAY. That is for everything at the station.

Mr. KELLEY. For power?

Admiral McVAY. Yes, sir. It is all military.

Mr. KELLEY. Does that include repairs?

Admiral McVAY. Yes, sir; everything.

Mr. KELLEY. How much of that is for repairs?

Admiral McVAY. We have not got it divided up that way.

Mr. KELLEY. This matter of repairs is a very serious thing, always. Do you not think that by carefully operating and scrutinizing every individual item of repair that an estimate like this could be greatly reduced?

Capt. BLOCH. I wish to say that since November 11, 1918, following the policy laid down by Congress that we must economize and cut down in order to reduce governmental expenses, it has been the policy of the Bureau of Ordnance to scrutinize all pay rolls, all requisitions for material most closely with the idea of cutting down expenses. In 1919, when the Bureau of Ordnance got \$25,000,000 instead of \$57,000,000, which had been estimated before the war ended, they started a policy of retrenchment. That was further forced on the bureau by the action of Congress last year in cutting the appropriation to \$17,500,000. Take, for instance, Hingham, Mass., which is an ammunition depot. On November 11, 1918, there were 635 men and women employed at that place. On January 1, 1920, that number had been reduced to 342 men and women.

On January 1, 1921, that was cut down to 160. That policy is going on all the time. Personally I review every requisition for material sent in by any station, and I cut these down. I will cut out something like a window shade or something that amounts to a small sum just to show them that I am on the job, and I have an idea that this discourages them from asking for more. Those are merely details of administration. The idea I want to convey to the committee is that we are doing everything we can to safeguard governmental funds and to make this money do the work it is intended to do, and that is to keep the ordnance material ready and fit for use at any time when it might be required, so that we will not find a lot of material which is not ready when it is needed.

Mr. KELLEY. There seems to be in this item quite a good deal of things like cement walks and extra drives.

Admiral McVAY. We are not building any now.

Capt. BLOCH. You mean for the construction of them?

Mr. KELLEY. Yes; at all these stations, naturally, they put in constantly requests for better walks and better drives, and it seemed to me this was a good place in the repair end of things to institute for one year a pretty close supervision, as far as possible. Of course, if you gave twice that sum it would all be expended, and some of it would probably be well expended. They would put in cement walks where perhaps they now have gravel. Out of an appropriation of \$17,000,000 for maintaining all these depots and care and preservation, that item amounts to almost \$2,000,000. I do not know how much would be for repairs and how much for salaries. Do you know how much of this \$1,780,000 is for salaries or labor?

Capt. BLOCH. We can get those figures for you.

Admiral McVAY. I only know of one station that asks for any walks. They asked for some walks and lights and we cut both of them out.

Capt. BLOCH. At Hingham our estimate is \$320,500, and that is an item included in the lump sum you spoke of, and we have it subdivided to show that the labor is to material in the proportion of 7 to 1, 7 parts labor and 1 part material. Those figures are based on previous experience and the amount of material used in proportion to the total amount of material, which runs about 5 to 1.

Mr. KELLEY. I wish you would give us the amount you have for each station.

Admiral McVAY. Those figures are as follows: St. Juliens Creek, \$265,900; Charleston, S. C., \$15,200; Hingham, \$320,500; Iona Island, \$269,400; Lake Denmark, \$149,300; Fort Mifflin, \$270,600; Puget Sound, \$116,900; Mare Island, \$216,000; Kuahua, Hawaii, \$58,200; Cavite and Olongapo, \$88,300; Fort La Fayette, N. Y., \$16,300.

Mr. KELLEY. Making a total of \$1,786,600?

Admiral McVAY. Yes, sir.

Mr. KELLEY. You do not know how much of that is what you call overhaul or repair?

Admiral McVAY. No, sir; but I can give you a good idea of it.

Mr. KELLEY. When you speak of the maintenance of ammunition depots, I suppose this item has reference to ground?

Admiral McVAY. We are referring to the routine work that relates to the ammunition itself.

Mr. KELLEY. The maintenance of ammunition depots?

Admiral McVAY. The general item might contain something like that.

Mr. KELLEY. You do not know specifically how much there would be in that?

Admiral McVAY. It comes up from time to time when they make specific requests for what they want to do.

Mr. KELLEY. You say the proportion of labor to material is about 5 to 1.

Admiral McVAY. It runs from 4 to 1 to 7 to 1.

Mr. KELLEY. You have not the exact figures?

Admiral McVAY. We have not those figures here.

AMMUNITION FOR THE ADVANCE BASE.

Mr. KELLEY. What is this item for \$251,000 for ammunition for the advance base?

Admiral McVAY. Gen. Lejeune of the Marine Corps submitted that estimate by direction of the Secretary of the Navy, the idea being to equip this organization. They have an organization in the Marine Corps ready to go with the fleet to take an advanced base and establish itself there until such time as it is relieved by the Army, and that is to equip them.

Mr. KELLEY. They must have a lot of ammunition in the Marine Corps and the Army.

Admiral McVAY. They have not this particular kind. We tried to get it from the Army as surplus, but they did not have it as surplus.

Mr. KELLEY. They must have any quantity of ammunition that the Marine Corps could use.

Admiral McVAY. We had to pay as much or more than if we bought it from commercial concerns.

Mr. KELLEY. Is there not some provision of law that the supplies may be transferred from one department to another?

Capt. BLOCH. There is a provision in the bill of last year that material may be transferred free of cost, provided it is surplus or obsolete. We tried to get that ammunition from the Army when Gen. Lejeune asked for it, and they told us they could not transfer it without a transfer of funds. If they gave it to us they would have to get some more for themselves and we would have to pay for it, and we did not have the money to pay for it.

Admiral McVAY. We are going to buy this from the Army.

REPAIR, OVERHAUL, AND MANUFACTURE OF TORPEDO EQUIPMENT AT NAVY YARDS.

Mr. KELLEY. The next is section G, "Repair, overhaul, and manufacture of torpedo equipment at navy yards."

Admiral McVAY. Each vessel has her equipment of torpedoes.

Mr. KELLEY. But at navy yards, \$500,000. What does that mean?

Admiral McVAY. Torpedo stations and navy yards. It is for the repair, overhaul, and manufacture of torpedo equipment at navy yards. After these torpedoes are fired a number of times there are certain parts which have to be renewed, and there are certain other torpedoes that have to be overhauled. For instance, if they are badly damaged we may not have to renew the parts, but we may have to send them to the torpedo stations and overhaul them like any other intricate piece of machinery. It is rather expensive, but not in proportion to the cost of the torpedo. It really in some cases amounts to rebuilding the torpedo.

Mr. KELLEY. You have at the various navy yards equipment to repair torpedoes?

Admiral McVAY. No, sir; we are doing it at Newport.

Mr. KELLEY. All of it?

Admiral McVAY. And Keyport, one on this coast and one on the other coast.

Mr. KELLEY. Why do you want \$500,000 at navy yards?

Admiral McVAY. It is for everything in connection with torpedo overhaul.

Mr. KELLEY. No; it says:

Repair, overhaul, and manufacture of torpedo equipment at navy yards, \$500,000; at Newport, \$1,070,800; at Keyport, \$138,000; torpedo parts and accessories, \$250,000, making a total of \$1,958,800.

Admiral McVAY. That includes torpedoes, and that has reference to torpedo tubes that we manufacture, and then we have torpedo directors. The directors at present we are manufacturing at the New York yard. We have a special shop for them, and when we put the Dayton, Ohio, plant out of business—

Capt. BLOCH. There are a large number of these destroyers that are out of commission and in reserve commission at the navy yards, and while the condition might be said to be not as bad as it was, it is still bad. The torpedoes on these boats have deteriorated and are

in a very bad condition. Practically every torpedo on the vessels that have been laid in reserve has got to be overhauled most extensively.

Mr. KELLEY. And that will be done at the navy yards?

Capt. BLOCH. That will have to be done at the navy yards; in some navy yards, for instance, Charleston, S. C., and at St. Juliens Creek, at the ammunition depot of the Norfolk Navy Yard and the Philadelphia Navy Yard, those places where we have torpedo-testing and repairing plants, where they repair these torpedoes.

Mr. KELLEY. Is that item divided to show how much is to go to each yard?

Admiral McVAY. We have got that down here.

Capt. BLOCH. We divide the three largest stations.

Mr. KELLEY. You have not divided that \$500,000?

Admiral McVAY. We have not that here.

NEWPORT, R. I.

Mr. KELLEY. Newport is your chief station for manufacturing and overhauling torpedoes?

Admiral McVAY. Yes, sir.

NUMBER OF EMPLOYEES.

Mr. KELLEY. How many men are employed there?

Capt. BLOCH. One thousand seven hundred.

Mr. KELLEY. And you buy others from private manufacturers?

Admiral McVAY. There is only one other private contractor.

Mr. KELLEY. Who is that?

Admiral McVAY. Bliss & Co., and that company is finishing its last order now; it will finish shortly.

Mr. KELLEY. Do you expect to keep this Newport plant going at full capacity?

Admiral McVAY. Yes, sir.

Mr. KELLEY. The full 1,700 men?

Admiral McVAY. Yes, sir.

Mr. KELLEY. With no reduction there at all?

Admiral McVAY. No, sir. We will finish up the program.

Mr. KELLEY. Does that count all the destroyers that we authorized?

Admiral McVAY. Yes, sir.

Mr. KELLEY. We are going to cancel some of those, are we not?

Admiral McVAY. No, sir; they are all going to be delivered by next August. There were six of them canceled. That is right.

Mr. KELLEY. Only six?

Admiral McVAY. Yes, sir; as far as I know.

Mr. KELLEY. Were there not 12?

Capt. BLOCH. There are no torpedoes being built for those 12.

Mr. KELLEY. None included in these estimates?

Admiral McVAY. No.

Capt. BLOCH. There were six canceled in the torpedo-boat destroyer appropriation. There were 12 authorized in the 1916 building appropriation that no material has been ordered for.

Mr. KELLEY. That is not included in these items?

Admiral McVAY. No, sir.

Mr. KELLEY. Have you separated the items at Newport into repairs and operation?

Admiral McVAY. We can take any station and take the report for last year and separate the items into repairs and operation. I have not that separated here. What would you say it was—1 per cent or 2 per cent?

Capt. BLOCH. Very small.

Admiral McVAY. One per cent.

Capt. BLOCH. I mean that it was so small in comparison that we did not figure it out. The idea that Mr. Kelley had, I think, is that we are devoting a large amount of these funds to building wharves and things like that. I am quite sure that is not the case.

Admiral McVAY. Is that what you mean?

Mr. KELLEY. I wanted to know just how much of this was to be for grounds and buildings.

Capt. BLOCH. We have got down here for the maintenance of all buildings, ground, wharves, and everything to handle ordnance stores, \$50,000 of that amount, which is about 10 per cent. You remember that there was a special appropriation of \$200,000 for Newport, just for repairs and maintenance.

Admiral McVAY. That was cut out last year.

AUTOMOBILES.

Mr. KELLEY. How many automobiles and trucks do you maintain up there?

Capt. BLOCH. Those are under Yards and Docks.

Mr. KELLEY. They are assigned to you and paid for out of this fund?

Capt. BLOCH. They are assigned to us by Yards and Docks, and we maintain them; yes, sir. I have a list of them in my office. We have two at Newport, one White car and one Marmon car. Those are the only two cars they have there; that is, passenger cars.

Mr. KELLEY. The trucks, of course, are in addition?

Admiral McVAY. We have not got the trucks here.

Capt. BLOCH. No; I did not bring that down. I think probably four or five trucks are all they have.

Mr. KELLEY. Do you furnish automobiles for your inspectors?

Admiral McVAY. No, sir.

Mr. KELLEY. Are you sure you do not?

Admiral McVAY. Do you mean the inspectors in charge?

Mr. KELLEY. Going around to these different places.

Admiral McVAY. To inspect commercial plants?

Mr. KELLEY. No; you have some inspectors that have more than one plant to look after, do you not?

Admiral McVAY. Only where we have inspectors in commercial concerns that go around to inspect materials at those different places.

Mr. KELLEY. Do you furnish automobiles for them?

Admiral McVAY. No.

Mr. KELLEY. They go on the train?

Capt. BLOCH. We do not furnish any automobiles at any time, either freight or passenger. The Bureau of Yards and Docks buys

those, and if we want them they have to assign them. I believe for the last three years they have had no funds to buy any.

Mr. KELLEY. But the Government has warehouses full of automobiles without buying any.

Capt. BLOCH. When we want them we apply to the Bureau of Yards and Docks. You asked if any inspector of ours had one. I do know of one inspector who has one. We have an inspector at Pittsburgh, Pa., who has several inspection places, and he had a Ford automobile, but he has no chauffeur for it; he drives it himself, and the Bureau of Yards and Docks allows him \$15 or \$20 a month for maintenance—rubber, gas, oil, and everything.

Mr. KELLEY. This \$1,070,800 at Newport includes the labor and the material and the upkeep of the plant?

Capt. BLOCH. Yes.

Mr. KELLEY. All complete?

Capt. BLOCH. Yes.

Mr. KELLEY. About what part in the manufacture of torpedoes is labor, and what part material?

Capt. BLOCH. Mr. Kelley, you understand, of course, that the appropriation for increase of the Navy provides for new construction; that comes under another appropriation.

Mr. KELLEY. This refers only to repairs?

Capt. BLOCH. Repairs to old torpedoes.

Admiral McVAY. That is about 7 to 1.

Mr. KELLEY. Is this because you have a large quantity of material on hand, or is this about the way you would run, if you had to buy new material? The ratio between labor and material is about 7 to 1; 7 for labor?

Admiral McVAY. Yes.

Mr. KELLEY. Now, I say is that ratio at that point because you have so much material on hand that you do not have to buy any, or is that about what it would be in any event, even if you had to buy the material?

Admiral McVAY. That is what it would be in any event, because, even though we have the material on hand, it is a material charge.

Mr. KELLEY. But you do not have to buy it; you just use it?

Admiral McVAY. We have bought it, and then we charge it—

Mr. KELLEY. But you do not need an appropriation for charging it?

Admiral McVAY. Yes.

Mr. KELLEY. If you have material on hand, you do not require an appropriation to use that material?

Admiral McVAY. No; but the material we have on hand is already bought under an appropriation.

Mr. KELLEY. And you do not have to buy it again?

Admiral McVAY. But when we use that material we use it and charge it against the cost of that material.

Mr. KELLEY. That is all true, but you do not have to have an appropriation for the material. If you had during the war made a large number of parts of a torpedo in order to be prepared against a rainy day, and you had not used those, you could go into your shop and help yourself to them now without any further appropriation.

Capt. BLOCH. Absolutely, sir; there would be no further charge unless the stock must be replenished.

Mr. KELLEY. That was why during the war you increased the capacity very largely of a good many of these plants to make these spare parts to get ready to take care of any situation that might arise like that.

Capt. BLOCH. I think that accentuates the spare part end of it. I think you will find that in the Government plants all of the increased facilities of the plants were utilized for finished material, but to-day the established policy for supplying spare parts has never been carefully lived up to.

Mr. KELLEY. How does your inventory of completed material compare with the last time you took it—with 1916?

Capt. BLOCH. Of course, we have more now.

Mr. KELLEY. How many times as much?

Capt. BLOCH. I could not say; I would not venture a statement like that.

Mr. KELLEY. Approximately? You could get that actually, could you not? Your inventory of July 1, 1916, or whenever you took that inventory—when was your last inventory taken?

Capt. BLOCH. There is one inventory taken every year.

Mr. KELLEY. You keep that inventory up from day to day, do you not, and know just how much stock you have on hand every day?

Capt. BLOCH. Yes.

Mr. KELLEY. Suppose you found out that the stock you had on hand of a finished character, that you did not have to buy, at your last available date as compared with the corresponding date in 1916—

Admiral McVAY. I see what you are after, but we do not have an inventory such as you refer to as a commercial concern. They have inventories of the rough parts that they can not sell, but with us it is different. When we buy our inventory covers the material for which you have appropriated. For instance, of the torpedoes which are now contracted for we actually have on hand 60 per cent, and no more, of the material that goes into those torpedoes. There is 40 per cent still to be delivered. There are about 4,000 parts to a torpedo, and while they are under contract and 50 per cent delivered there is only 55 per cent of the work done—that is, the money spent, if that is what you mean by the inventory with relation to the amount on hand. And we have no stock as stock. Everything we have is for a purpose. That is, if we have so many torpedoes, we must have two torpedoes for each tube, and where we take—

Mr. KELLEY. What I am getting at, Admiral, is this: During the war, of course, you did not know what your necessities were going to be in repairs. You knew that in time of war things would get out of repair, that the torpedoes would be injured in one way or another, and it was necessary to have a stock of various parts for a torpedo on hand to which you could go to replace that torpedo and get it right back in use as soon as possible. I understood from Admiral Earle and Capt. Bloch that that was one of the things the department particularly kept in mind, to be able to get injured weapons back in business as soon as you could. Now, the emergency having passed, it must be that quite a large stock of spare parts and partly manufactured material is on hand and will show up in your inventory, which you will not have to buy this year, but just go and take out of your storehouse. If you will give me a little idea how

that is, as compared with other years, it will only help to get a general view of the situation.

Admiral McVAY. I think I know what you mean now. For instance, our main repair station—and our only repair station, as a matter of fact—for torpedoes has been Newport. Spare parts are carried there and served out. Recently, on account of the transfer of a part of the fleet, or a fleet, to the Pacific coast, we have had to establish another place on that coast, and recently we transferred spare parts for torpedoes to that coast from Newport.

Mr. KELLEY. You divided them?

Admiral McVAY. We divided the parts, and we have not now on hand a sufficient amount of spare parts for those on this side. I mean for the new torpedoes. We have got to go ahead and buy them.

Mr. KELLEY. This item of \$17,500,000 that we are considering now is just the repair item?

Admiral McVAY. It is.

Capt. BLOCH. That includes material, of course.

Mr. KELLEY. Surely.

Admiral McVEY. I mean that is a case in which we borrow to cover an emergency, and I am sure we have no excess spare parts, because I know that has come up to me only recently.

Mr. KELLEY. But knowing your department so well, and knowing how beforehand you are down there, and how you guard against all possible calamity as far as one can see, I rather assumed that you were well protected against having torpedoes put out of commission.

Admiral McVAY. If you will give us this money that we have asked for, we will be; otherwise we will not be.

Capt. BLOCH. You do not know how close we are to the edge. At one time during the war there were only four hours between the time a gun arrived for installation and the time the destroyer sailed for the other side. There was no forehandedness there; it was just luck.

Mr. KELLEY. Of course, you were putting torpedoes into condition at a very rapid rate.

Capt. BLOCH. And to-day we are trying to follow this same policy of having sufficient resources and spare parts ready for use.

Mr. KELLEY. Are you trying to have torpedoes enough for all the destroyers and all the spare parts necessary for all the destroyers that you have?

Admiral McVAY. That is the policy.

Capt. BLOCH. We should have the torpedoes.

Mr. KELLEY. Whether these destroyers are in commission or not does not make any difference?

Admiral McVAY. It does not make any difference to us. I will tell you why it does not make any difference: Because it will do no good to put all of these vessels in commission unless you have ammunition.

Mr. KELLEY. The destroyers would be of no use without ammunition?

Admiral McVAY. Of no use.

Mr. KELLEY. How long does it take to build a torpedo, on an average?

Capt. BLOCH. Two and a half years from the time you start a program of building before the last torpedo is finished. Some of them will come through faster.

Mr. KELLEY. How long would it take to run one through the plant?

Capt. BLOCH. I suppose the best answer to that would be that the capacity of the plant is 400 a year, and that means a little over one a day.

Mr. KELLEY. That does not mean that you could build one in a day?

Admiral McVAY. No. When you start you have to have a year or a year and a half.

Capt. BLOCH. It takes you a year and six months to get the plant started.

Mr. KELLEY. Suppose you started a series through. Does more than one come through at a time?

Capt. BLOCH. If we got an order for 100 torpedoes to-day, we would place an order immediately for the flasks for the torpedoes, because it takes a long time to get the flasks, and your contractor will deliver his flasks for these 100 torpedoes in something like six months.

Mr. KELLEY. And you could not start until you got the flasks?

Capt. BLOCH. We can start as soon as he gives us the first one, but I mean that he will complete the order in six months.

Mr. KELLEY. Suppose the Navy required 100 torpedoes and gave you that order, how long would it take you to deliver them, starting those torpedoes off from the beginning, at Newport?

Capt. BLOCH. At Newport I should say it would take you, with everything out of the way, with no other work in the plant and the absolute right of way over everything, 18 months.

Mr. BYRNES. That is to deliver the last one of the 100?

Capt. BLOCH. Yes, sir.

Mr. BYRNES. When could you begin to deliver on that 100—how soon?

Admiral McVAY. You mean if we ran them through like Ford machines, how long would it take?

Mr. BYRNES. Whatever way you do it. I just want to know whether you would begin delivery at the end of the six months or if you would have all of them out of the way in 18 months.

Capt. BLOCH. You would probably deliver a torpedo inside of a year, probably the first one.

Mr. BYRNES. And then all the others as they came through?

Capt. BLOCH. Yes, sir.

Mr. KELLEY. It takes as long to build a torpedo as it does to build a destroyer at that rate?

Admiral McVAY. Longer.

Mr. KELLEY. We built some of these destroyers in less than a year.

Admiral McVAY. We can build one quicker than a torpedo.

Mr. KELLEY. So that it would be imperative, even if we were planning on keeping the ships in reserve, that the ammunition necessary for those ships should be on hand?

Mr. BYRNES. A ship is no good without ammunition.

Admiral McVAY. We have got to meet it. Here is the trouble. We have got to anticipate, and we have got to have the ammunition

ready when the ship is ready, no matter whether you put them in commission or not, and no matter whether you build new ships or not. For instance, last Saturday a representative from a shipbuilding company came in and said, "We want to get such and such a part. How soon can you give it to us?" It happened that we sent to the yard, and they said that they could deliver the last one of the items—there were three or four—on the 1st of July. The company said, "We want them before that; we must have them." I said, "All right, when do you want them?" They had to have them—I forgot just when—but I telephoned down to the navy yard and said, "That will not do. Rush the work and tell me how soon can you get them out." They said the 1st of May. Then we told these people the 1st of May. Our inspector down there will see at the proper time whether or not they actually need that material on the 1st of May, and if they do need it on the 1st of April, and we do not get it to them, then they will make a claim on the Government for delay and extra compensation on account of this delay, and it is a regular game. They call for material, and we send an inspector to see if they want it when the time comes—if they need it—so we can check up all these claims.

Mr. KELLEY. Do you have in your bureau an account called a general-expense account?

Admiral McVAY. We do not keep any accounts. They are all kept by the Bureau of Supplies and Accounts. The only thing we keep is a memorandum.

Mr. KELLEY. Do you have such an account in connection with your general-expense account?

Admiral McVAY. Yes, sir.

Mr. KELLEY. How much of a job would it be to draw off the chief items under the general-expense account for the last year?

Mr. WERNITZ. I think that is perhaps best answered by giving you a copy of the general-expense instructions, which are quite small and printed, and give the details as to how all those things are divided everywhere.

Mr. KELLEY. But take from your actual general-expense account the amount of money that has been charged under that accounting system to the different items you are entitled to make charges against.

Mr. WERNITZ. You mean segregate them to the job orders?

Mr. KELLEY. I do not mean that, but there must be some general headings.

Mr. WERNITZ. I think we can get that from the last annual report of the Bureau of Supplies and Accounts. They have all that tabulation. I will try to get that.

Capt. BLOCH. I have one in my office. It is all in there for every navy yard, every place.

Admiral McVAY. That is under Supplies and Accounts.

MAINTENANCE AND UPKEEP, CHARLESTON (W. VA.) PLANT.

Mr. KELLEY. Admiral, the next item is section 4, section H of the statement which you have given me, which has reference to the Charleston (W. Va.) plant. You have here for maintenance and upkeep in the Charleston (W. Va.) plant, \$654,200, but before we get to that I wish you would give us a little statement about that plant, the armor-plate end of it, the projectile end of it, and all about it.

Admiral McVAY. That is a plant which was originally started as an armor plant under an appropriation which was added to, to take in the projectile plant also. At the present time we are actually making there projectiles and gun forgings, air flasks for torpedoes, and miscellaneous steel. We will be able to cast an ingot on the 2d of February and to proceed with the manufacture of armor as soon as a large press has been delivered. There was a considerable delay in the delivery of this press, and our last report indicates that the last parts will be delivered sometime in March or April, and as soon as it can be erected we will be able to go right ahead with the forgings and the armor, which we could cast now except that we would add to the expense of manufacture—that is, we would start casting on the 2d of February and continue, except that it would not be profitable.

Mr. KELLEY. Your armor you have all placed under contract, I suppose, for the 1916 program?

Admiral McVAY. That is all contracted for except 9,000 tons.

Mr. KELLEY. How many ships will that take care of?

Admiral McVAY. One battle cruiser and one-half of one battleship. That is all that is being made at Charleston.

Mr. KELLEY. Has the contract been awarded for the complete installation of the armor-plate factory?

Admiral McVAY. Yes, sir; it is practically finished now.

Mr. KELLEY. But there is some machinery that is not yet in place?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Do you expect to manufacture these other 9,000 tons?

Admiral McVAY. At Charleston; yes, sir.

Mr. KELLEY. You would have no difficulty in placing that order for the other 9,000 tons with a private manufacturer if you wanted to do it in that way?

Admiral McVAY. Yes; if we found this could not be turned out in time at the Charleston plant.

Mr. KELLEY. They have plenty of capacity for the armor plate at the private plants, have they not? They are probably running a little slack now, too, are they not?

Admiral McVAY. No; they are running to full capacity.

Mr. KELLEY. In the armor factories?

Admiral McVAY. Yes, sir.

Mr. KELLEY. On your work?

Admiral McVAY. Yes, sir; and when the contract was placed it was figured out that giving the Charleston plant 9,000 tons, that the rest of it—there were about 110,000 tons altogether, I think—that the other 100,000 tons would go to the commercial plants, and they would deliver it in the time it was required, and that Charleston could meet the delivery with these 9,000 tons.

Mr. KELLEY. When was this factory authorized?

Capt. BLOCH. August 29, 1916.

Mr. KELLEY. And the sum of \$11,000,000 was appropriated for the construction of the armor plant?

Admiral McVAY. For the construction of the armor plant.

COST OF CHARLESTON PLANT.

Mr. KELLEY. What has the plant cost to date?

Admiral McVAY. Up to July 1 we had spent \$17,040,712.76, but that includes also the projectile plant and the gun forging plant.

Mr. KELLEY. Where was the authority for the other plants—in the same act?

Capt. BLOCH. The projectile plant is congressional—

Mr. KELLEY. The same act?

Admiral McVAY. Yes, sir; \$2,081,000; yes, sir; that is the same act.

Mr. KELLEY. That is the amount that has been expended on the projectile plant, \$2,000,000?

Admiral McVAY. \$2,081,007.60.

Mr. KELLEY. That leaves about \$16,000,000 that the armor plant has cost up to date?

Admiral McVAY. Yes; but it includes a gun-forging plant.

Mr. KELLEY. How much more will it cost, when our contracts are all completed, for installation there?

Admiral McVAY. I should say there are about \$4,000,000 still to be spent.

Mr. KELLEY. Where are you going to get the money to do that?

Admiral McVAY. Well, we have a credit here, you see; we had a presidential allotment, and then we have still a credit of \$1,068,000.

Mr. KELLEY. How much was the presidential allotment?

Capt. BLOCH. \$4,121,200 had been allotted up to July 1, 1920.

Mr. KELLEY. So you have money enough to build the armor plant without any further appropriations by Congress?

Admiral McVAY. Yes.

Mr. KELLEY. This item of \$654,200 for maintenance at Charleston includes such a sum as is necessary to make that 9,000 tons of armor plate, does it?

Admiral McVAY. Yes, sir.

Mr. KELLEY. How much do you anticipate will be required for the armor plate?

Admiral McVAY. You mean to make it?

Mr. KELLEY. Yes; how much of this \$654,000 under maintenance is for armor plate?

Admiral McVAY. Nothing. The amount for the armor plate comes under the appropriation for increase of the Navy, armor and armament, a certain sum under that. When you appropriated for the ships you appropriated so much money for the armor and armament.

Mr. KELLEY. That brings up the question that I asked you this morning, when you said that the maintenance of the plant was out of this fund, regardless of new construction; that power and machinery and everything of that kind came out of this appropriation.

Admiral McVAY. That is not maintenance. I am talking about manufacture now.

Mr. KELLEY. How about the maintenance of the armor plant?

Admiral McVAY. That is under ordnance and ordnance stores.

Mr. KELLEY. How much of this sum is for maintenance of the armor-plate factory, which will be necessary by reason of manufacturing 9,000 tons of armor plate?

Admiral McVAY. All of the maintenance charge is under O. and O. S.

Mr. KELLEY. How much of this is for maintenance of the armor-plate factory?

Mr. AYRES. How much of the \$654,000?

Mr. KELLEY. How much of the \$654,200 is for the maintenance of the armor-plate factory?

Admiral McVAY. It is all for the maintenance of the plant.

Mr. KELLEY. I understand; but if you manufacture armor plate, of course, your maintenance will be greater than if a portion of the plant were idle as it is now. Your armor plant down there is not in use now, is it?

Admiral McVAY. No, sir.

Mr. KELLEY. But you anticipate that under this appropriation it will be?

Admiral McVAY. Yes, sir.

Mr. KELLEY. And by reason of its being in use and making 9,000 tons of armor plate there must be included in this \$654,000 a certain amount for the maintenance of the armor-plate portion of the factory. I want to know how much that is.

Admiral McVAY. Well, I could not tell you that, because you can not separate the projectile factory and the armor factory and the gun-forging plant into separate parts, because some one part of each plant is used for the other part. For instance, all of the steel that is cast is cast in the various furnaces, and you might use it for armor, you might use it for gun forgings, or you might use it for projectiles, so it really is all one plant, and the maintenance is for the maintenance of the whole place.

Mr. KELLEY. I will put it in this way: Suppose you need to make armor plate there next year. How much would your appropriation be for maintenance?

Admiral McVAY. None.

Mr. KELLEY. You certainly must use power or something there at this place.

Admiral McVAY. We come back now to the question of operating expense as distinguished from maintenance. You remember the distinction that we drew between operating expenses and maintenance. The maintenance is keeping the plant ready for operation and the operating expenses are for the actual operation of the plant. If we did not make any armor we would have maintenance charges just the same for keeping up the buildings. Now, then, the minute we start to use the buildings we put in an operating expense.

Mr. BYRNES. And it would not come out of this item?

Admiral McVAY. Not operating expense, no; not out of this item; it would be charged to—

Mr. KELLEY. What expenses do come out of this item?

Admiral McVAY. Keeping the grounds—

Mr. KELLEY. This is a new construction plant entirely, is it not, both for projectiles and armor plate?

Admiral McVAY. Yes, sir; and gun forgings.

Mr. KELLEY. There is not any element of repair involved in this yard?

Admiral McVAY. There is upkeep; you have to maintain it.

Mr. KELLEY. That is the repair of the plant itself and the upkeep of the plant, but I mean there is no repair of ships or parts of ships or guns or anything of that kind at this plant?

Admiral McVAY. No.

Mr. KELLEY. That is a new proposition—new manufacture?

Admiral McVAY. Yes.

Mr. KELLEY. That being the case, and the cost of operation being charged to new construction, how do you get as much as \$654,000 for merely keeping the plant ready to operate?

Admiral McVAY. We have got pretty big grounds there.

Mr. KELLEY. It would not cost \$650,000 to keep the grounds and buildings in shape so that you could go ahead and do business, would it?

Admiral McVAY. It does.

Mr. KELLEY. What is your pay roll down there? In the analysis you have Charleston, W. Va., naval ordnance plant; labor, \$852,500, and material, \$180,000.

Admiral McVAY. That is for manufactures.

Mr. KELLEY. Making a total of \$1,032,500.

Admiral McVAY. Here is the way I have it here: Maintenance of land and appurtenances—

Mr. KELLEY. Before you go into that, I understand this item of \$17,500,000 for repair is for ships of the Navy at the present time. How do you put this \$1,032,500 for the manufacture of new projectiles for the 1916 program in here?

Admiral McVAY. It is not charged there.

Mr. KELLEY. Where did you get this \$1,032,500 for Charleston, W. Va.?

Admiral McVAY. May I see that a minute?

Mr. KELLEY. This is the apportionment that you have of the \$654,000 that we are considering.

Mr. WERNERZ. The \$654,000 is included in that.

Admiral McVAY. I see what happened. Desk H asked for \$2,000,-000, and I cut them to \$654,200, and \$452,748.24 for the classified employees.

Mr. KELLEY. You still insist that if you do not make any armor plate there next year the cost of maintaining the plant will be just as great?

Admiral McVAY. Yes, sir.

Mr. KELLEY. As far as this appropriation is concerned?

Admiral McVAY. Yes.

Mr. AYRES. I would like you to explain why it will be just as great if you do not manufacture any armor plate.

Mr. BYRNES. That comes out of another account, as I understand it.

Admiral McVAY. If you have got the plant there, in order to have it ready to operate you must maintain it.

Mr. AYRES. Does it cost \$654,000 to maintain it if you do not operate it?

Admiral McVAY. Yes; in order to keep it ready to operate.

Mr. AYRES. And it will only cost \$654,000 to maintain it if you do operate it?

Admiral McVAY. To maintain it; yes. Because the minute you start to operate that comes out of your operating expense and is charged to another appropriation, from which you figure your cost of manufacture.

Mr. AYRES. For instance, your classified employees would come under another appropriation?

Admiral McVAY. No; they must still come under this appropriation always.

Mr. AYRES. If you were not operating would you still have to carry them, the same complement of employees?

Admiral McVAY. If we shut it up altogether, of course, we would not have anybody there but a few watchmen; but as long as we have an organization there we have the classified employees, and we are in the process of organization, and we have these people there now.

Mr. AYRES. If you were not operating it could you use these employees elsewhere, or could you dispose of a part of them?

Admiral McVAY. If we do not operate at all, but shut it up, we would not need any of them.

Mr. KELLEY. This is a plant for the manufacture of armor-piercing projectiles for what?

Admiral McVAY. For the new construction.

Mr. KELLEY. And the armor plate is for the new construction?

Admiral McVAY. For the new construction, and gun forgings.

Mr. KELLEY. The gun forgings are for the new construction?

Admiral McVAY. Yes, sir; there are some liners for the guns, renewals.

Mr. KELLEY. If the bulk of this plant is for use in the making of projectiles and armor plate and gun forgings and mountings for the new construction, how do you provide for this maintenance out of this, merely taking care of the buildings out of this fund.

Admiral McVAY. Because this fund is for that purpose.

Mr. KELLEY. I understood you to say that the operating expenses went with the job; that if you manufactured a new article, or an article for a new ship, that was paid for out of the appropriation for increase of the Navy. Now, you have a plant here the whole purpose of which almost is to manufacture for the 1916 program, and yet you have an item of \$654,000 here for maintenance, out of repairs and maintenance, and that is for—

Admiral McVAY. All repairs and maintenance come under this appropriation for ordnance and ordnance stores.

Mr. KELLEY. But any maintenance which amounts to operation comes out of the other appropriation, and there can not be \$654,000 worth of maintenance there which is not incident to operation. That would be a tremendous overhead to carry, \$654,000, that had no relation to operation.

Mr. BYRNES. I do not think we are talking the same language.

Admiral McVAY. I do not either.

Mr. BYRNES. I wish you would tell us what you say you are going to spend this \$654,000 for, what class of workmen, and let us see if we can get at it in that way.

Admiral McVAY. I will tell you what I wish you would do—

Mr. KELLEY. Pass this over and let you figure it out?

Admiral McVAY. Not so much me. Until you have the Bureau of Supplies and Accounts up here with their accounting system and an explanation of how it is regulated, I do not think it is possible for me to differentiate it.

Mr. KELLEY. It occurred to me that with this plant, which is a projectile plant making those 16-inch armor-piercing projectiles which obviously are to go on the new ships, that all the operating expense of the plant making those, under your general distinction,

would come out of the appropriation for increase of the Navy, because that is what we appropriate the money for, to pay for the labor and the material.

Admiral McVAY. On the particular article which you are manufacturing, but here is a concern that we are getting ready, or holding in a state of readiness, to make certain things, and whether it is running full tilt or not it costs a certain amount of money for maintenance.

Mr. BYRNES. If you could tell us what you are going to spend it for then we would know. If it is merely for the expenditures to put the plant in a state of readiness to operate, at the expense of another fund, we could get a pretty good idea as to what to do, but you have not told us up to this time what you want this \$654,000 for, the character of expenditures, I mean.

Admiral McVAY. That was outlined here. As I have it here, they sent it in for a total of \$2,000,000.

Mr. BYRNES. What were the items in there? Just read them over.

Admiral McVAY. He has land and appurtenances, buildings and structures, plant appliances, machinery and machine tools, miscellaneous equipment, including additions to stock, portable power tools, including additions to stock.

Mr. AYRES. What is the item next to that?

Admiral McVAY. Miscellaneous equipment, including additions to stock.

Mr. AYRES. Would that come under operating expense?

Admiral McVAY. No; that is under maintenance. Portable power tools, including additions to stock, loose and hand tools, including additions to stock. In this book of accounting instructions you will find these laid down where certain charges shall go, and we follow that.

Mr. BYRNES. Would material in stock come under maintenance there when you speak of stock?

Admiral McVAY. No.

Mr. BYRNES. That is what you told Mr. Ayres.

Mr. KELLEY. Would not all that new machinery there come under maintenance?

Admiral McVAY. Certain types of machinery. I will look this up and give you an analysis of this \$654,200. I agree absolutely with you, and when they came in for \$2,000,000 I said, "That is ridiculous," just as I know you feel about it.

Mr. BYRNES. You express my views very nicely. I think it is ridiculous.

Admiral McVAY. So I just took it and went over the thing and checked it up.

Mr. KELLEY. Did the \$2,000,000 include their pay roll?

Admiral McVAY. No, sir; it included just these things I have read off, and Capt. Bloch and the officer in charge and I went over this thing. We can analyze it and show where I cut it down.

Mr. KELLEY. Where do you get the money to meet their pay roll?

Admiral McVAY. That comes out of the clerical appropriation and from their other money, their allotments made by the bureaus from the different appropriations under which they are working.

Mr. KELLEY. I mean the maintenance?

Admiral McVAY. If they are working on armor and armor plate, we make an allotment from the bureau for so much money to cover those expenses.

Mr. KELLEY. After you have paid for all the material, it is not possible that this plant would cost \$654,000 to operate, is it?

Admiral McVAY. That is what we have here to run it.

Mr. KELLEY. Do you believe that can be correct, that after you pay for maintenance and everything that is properly chargeable to increase of the Navy, which is all this plant is doing, making stuff for the increase of the Navy, that you would have another charge there of \$654,000?

Admiral McVAY. It is probably costing as I put it down. I have cut it down to \$654,000 from \$2,000,000, but, as I say, I have not the detail here. I will get that and give it to you.

Mr. KELLEY. Is there a housing project there to be kept up in connection with this?

Admiral McVAY. We have houses there, but it is not a housing project.

Mr. KELLEY. Does the upkeep of the houses come out of this fund?

Admiral McVAY. No, sir.

Mr. KELLEY. Where do you get money for them?

Admiral McVAY. From the rent.

Mr. KELLEY. Are they self-sustaining?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Until such time as the houses begin to run down?

Capt. BLOCH. They are more than self-sustaining.

Mr. KELLEY. So the housing project is not in there?

Admiral McVAY. No, sir.

Mr. KELLEY. This is just for maintaining the factory that you want \$650,000, besides the labor that is there and the material that they use?

Admiral McVAY. That is it.

Mr. BYRNES. If you have the money for the labor and material that they use, what in the world do you want with \$650,000?

Admiral McVAY. That is what I am going to tell you.

Mr. KELLEY. You will report on that a little later?

Admiral McVAY. Yes, sir.

Mr. SISSON. How much will this item be affected by the number of new ships added to the list?

Admiral McVAY. This item here?

Mr. SISSON. Yes.

Admiral McVAY. I think this is as high as it will go.

Mr. SISSON. How is that?

Admiral McVAY. Nothing will be added to it.

Mr. SISSON. In furnishing the projectiles and other things, would not the number of projectiles that you need to manufacture be affected by the number of ships added to the Navy?

Admiral McVAY. Yes, sir; but it would not come under this appropriation.

Mr. SISSON. I am sure of that; but in supplying the Navy with this matériel—I believe you call it—would that item be affected by the number of new ships added to the Navy?

Admiral McVAY. No; not this particular item; no, sir.

Mr. KELLEY. You could say this, Admiral, with perfect propriety: That inasmuch as this plant is engaged exclusively, or practically so, upon the manufacture of projectiles and gun forgings and that sort of thing for the new ships which are not yet in commission, that if those were discontinued the plant probably could be discontinued?

Admiral McVAY. Oh, yes.

Mr. SISSON. That is what I had in mind. I was endeavoring to ascertain whether or not the new ships in the near future, as they are completed, before they go into commission, have got to make a draft upon this institution for the material which they make in the new shops, so that if you had three or four or five or six new ships without any material, you would have to get it from this place, would you not, unless you bought it from a private concern?

Admiral McVAY. We would get it from here or a private concern.

Mr. SISSON. Then, the amount of upkeep and the expense of that institution will be increased by the number of new ships that you will have to keep up and supply with shells and projectiles?

Admiral McVAY. Yes; but the projectiles and armor would come under another appropriation, increase of the Navy, armor and armament.

Mr. SISSON. I am not talking about armor and armament. I am talking about when the ships are completed and the guns are completed, these shells will be necessary to shoot out of the guns.

Admiral McVAY. Yes, sir.

Mr. SISSON. Now, when you have a certain supply on hand to put a ship in commission in the event of war, the amount that you keep on hand and must manufacture is absolutely dependent upon the number of ships you put in commission?

Admiral McVAY. Oh, yes; absolutely.

Mr. SISSON. Then, I was endeavoring to arrive at the reason for this \$654,000 as the necessity for being ready to supply these ships when they came into commission.

Admiral McVAY. Yes, sir.

Mr. SISSON. You keep on hand that reserve so that the Navy has always enough on hand in proportion to the number of ships we have?

Admiral McVAY. That is the idea we have, but that is not upkeep of the plant.

Mr. SISSON. If that is true, in order to determine how much you will need it will be necessary to know how many ships will be put in commission, which this \$640,000 must pay the expenses of supplying by buying the raw material and other things and keeping up the machine tools. It looks like a very large amount to expend for those purposes.

Mr. KELLEY. You will analyze that \$654,000?

Admiral McVAY. Yes, sir.

Capt. BLOCH. There is one point I would like to make that is not particularly applicable to this very thing, but it has a bearing on it, and that is the fact that certain maintenance charges must necessarily be charged to this appropriation, ordnance, and ordnance stores, by operation of a law and a decision of the Comptroller of the Treasury. The Comptroller of the Treasury has decided that inasmuch as ordnance and ordnance stores has the specific wording in there, main-

tenance, that we must charge the maintenance of these plants to that appropriation. I believe that is correct, and that is one of the reasons why this thing is carried in this appropriation rather than carried in the producing appropriation. Of course, an ordinary business concern making anything would charge it all to the same appropriation.

Mr. KELLEY. Of course, I appreciate that where we make a specific appropriation for increase of the Navy, there is then a fund out of which projectiles may be either purchased or manufactured.

Capt. BLOCH. Yes, sir.

Mr. KELLEY. In that would naturally be included what the admiral calls operating expenses.

Capt. BLOCH. Yes, sir.

Mr. KELLEY. And if you include in that what he calls operating expenses, there would be in such a plant as this, where there is no repair work going on, no possibility of having a maintenance charge of \$654,000. That is the way it looks to me.

Admiral McVAY. I can see what you mean, but I will give you the itemized list of just what this covers.

Mr. KELLEY. You would almost be paying for the projectiles twice if you did that.

Mr. AYRES. What you are after is to find out how much of this \$654,000 is used for the purpose of manufacturing the projectiles?

Admiral McVAY. We could not use any of it for that purpose.

Mr. AYRES. And what the rest is going to be used for.

Mr. KELLEY. I want to know what it is to be used for, that is it.

Capt. BLOCH. Mr. Kelley, when you take an armor plant producing 10,000 or 11,000 tons of armor in a year, with a selling value of \$5,000,000, and producing 2,000 projectiles, with a selling value of \$2,000,000, and numerous gun forgings and torpedo air flasks, which would give you a production worth \$10,000,000, and consider the percentage of an overhead of \$654,000 to that, you will find that it does not run your overhead up very much, when your overhead will run over 100 per cent in any producing plant in this country to-day.

Mr. KELLEY. You have not made any of that armor plate yet.

Mr. BYRNES. If you could show that you were doing all that, it would be very reasonable.

Capt. BLOCH. I am trying to show that \$654,000 would not look so very bad if it was actually running, when you consider the percentage of the overhead to the value of the product. These estimates are predicated on the assumption that the plant will be running.

Mr. BYRNES. Not at all; there would not be any doubt about it.

Admiral McVAY. This is for next year, you know; it is not for this year. That is when we are going to be running it.

Mr. KELLEY. We will have to come back to this item again. The chances are that it is a mistake.

NAVAL PROVING GROUND, INDIAN HEAD.

We will take up the Naval Proving Ground. \$1,067,600. What is there about the Naval Proving Ground that requires a maintenance charge of \$1,067,000?

Admiral McVAY. \$1,067,600.

Mr. KELLEY. What is there about the proving ground that requires an expenditure for maintenance of \$1,067,000?

Admiral McVAY. I have not that in detail. I will send you the details for this one with the other.

Mr. KELLEY. How could a proving ground cost \$1,067,000 to keep up?

Admiral McVAY. It has and does.

Mr. KELLEY. What do you do with the money? In other words, if you had \$6,067,000 you would spend it?

Admiral McVAY. That is what I say. I will give you the details; I have not got them here.

Mr. KELLEY. Do any of you gentlemen know what you do with that sum of money?

Admiral McVAY. I will have to get that, too.

Mr. KELLEY. Does it include any new construction?

Admiral McVAY. No, sir; it does not.

Mr. KELLEY. What is there in the maintenance of a proving ground which you, as an admiral, would know would require the expenditure of such a sum of money?

Capt. BLOCH. That place includes three stations—the lower station, the upper station, and the naval powder factory.

Mr. KELLEY. That is a third as much as you have got for the maintenance of the Washington gun factory.

Capt. BLOCH. It is very much more expensive than the gun factory.

Mr. KELLEY. How many men are employed there?

Capt. BLOCH. I do not remember the exact number of men. The pay roll is shown on that sheet that you have there. I think it runs something like \$85,000 a month, if I am correct, the labor roll in that proving ground; that is, the powder factory, the upper station, and the lower station all employ 1,510 men. You see, the powder factory is running, and it must be maintained.

Mr. KELLEY. Is Indianhead included in this?

Capt. BLOCH. Yes, sir. That is Indianhead. The powder factory has a larger capacity for manufacturing powder than it is actually running at present, and the maintenance of the machinery is charged to that item, and the operating expenses are carried under that item. When you get into a final division of the part the proving ground is taking, so far as the gun tests are concerned, and separate that from the powder factory, that is a different question. Is that what you are asking the admiral for?

Mr. KELLEY. This does not include the wages of the men making the powder?

Capt. BLOCH. Not the men. It includes only the supervising force, the clerical and classified, but they are not carried in this particular item. The people who are making the powder, the men who are actually making the powder, are charged against the appropriation the powder is purchased under.

Mr. KELLEY. You have another appropriation for making the powder?

Capt. BLOCH. Both for reworking and for new construction.

Mr. KELLEY. We have an appropriation for the purchase of the material to make the powder, and then we have an appropriation for increase of the Navy, and out of both of those you get the money to pay the men?

Capt. BLOCH. To pay the men and buy the material that enters into the powder.

Mr. KELLEY. Do you mean to say that you need \$1,067,000 down there after that is done?

Capt. BLOCH. Yes, sir.

Admiral McVAY. I will give you the details.

Mr. KELLEY. Bring up the details quite fully about this.

Admiral McVAY. You will get it all.

Mr. KELLEY. Because it would be very easy to put these two together without being conscious of it, the manufacturing and the supervision, because I do not think your attention up to this time has ever been so sharply directed to the fact that this is a maintenance appropriation pure and simple.

Capt. BLOCH. It is maintenance absolutely.

Mr. KELLEY. It used to have another word in there, which gave you more latitude, but we took it out last year or the year before. It used to contain the word "improvement."

Capt. BLOCH. If a gun has to be relined, it must be taken to Indianhead to be proved before you can put it on a ship, and the charge for relining that gun is charged to this appropriation, because that is repair and maintenance. Every piece of ordnance that comes back to the shop to be repaired has to go to Indianhead to be proved, and is necessarily charged against this appropriation.

Mr. KELLEY. That is to say, if you reline a gun down here at Washington yard?

Col. BLOCH. It must go to Indianhead.

Mr. KELLEY. Before you put it on the boat?

Capt. BLOCH. Yes; it must go to Indianhead to be proved.

Mr. KELLEY. You take it down there by water?

Capt. BLOCH. By railroad or barge.

Mr. KELLEY. And then take it on shore down there and test it out?

Capt. BLOCH. Yes, sir.

Mr. KELLEY. All that is a proper charge against the appropriation if it is an old gun?

Capt. BLOCH. If it is a gun that has been in service and is not for new construction. The proof of new construction, of course, comes out of this other appropriation, "Increase of the Navy."

Now, you take, for instance, the powder that is required at the proving ground. That is manufactured under this very appropriation, under the subtitle of purchase and manufacture. Well, before this powder can go into service it has got to be tested, and the charge has got to be fixed to see that it is the proper charge to give the proper velocity, and to see that the pressure is proper, and every bit of the cost of that work must be charged against this appropriation.

Likewise, if we enter into a contract, say with a company at Richmond, Va., as we have now, for one thousand 16-inch target projectiles to be used for target practice, that is specifically included under the appropriation for target practice. Before those projectiles are accepted, they must be sent to Indianhead and fired at to see that they are satisfactory for service. Every bit of the cost incident to the holding of the test must come out of this appropriation.

Likewise, where you have fuses that require reloading or modification for retesting, or you take the charges and refix the charges in powder, or you change charges, that all must go to Indianhead for a test of the old powder, not for new construction, and that all must be charged against this appropriation. I am merely citing these instances to give you an idea of some of the charges.

Mr. KELLEY. Was there not an appropriation that we made for powder at Indianhead to be used for reworking the powder?

Capt. BLOCH. I think that is only \$100,000.

Admiral McVAY. We had \$200,000 for reworking powder.

Mr. KELLEY. I understand that is another matter to come up later, to run into great sums of money.

Admiral McVAY. It runs to a great deal. It is pretty expensive.

Mr. KELLEY. I suppose we are losing time on this item, because we are going to get the details of that \$1,067,000. Will you bring the details as to what part of this is for the upper proving ground and what part is for the lower proving ground?

Admiral McVAY. I will divide it all up.

Mr. KELLEY. Also how much you spent last year ending June, 1920, on the upper ground and how much on the lower ground, and for what purposes?

Admiral McVAY. Yes, sir.

FIRE CONTROL FOR BATTLESHIPS.

Mr. KELLEY. Now, under section L, fire control for battleships, you are asking for \$417,000. What battleships is this for; new construction?

Admiral McVAY. No, sir; old.

Mr. KELLEY. What battleships?

Admiral McVAY. From the *Delaware* to the *Idaho*.

Mr. KELLEY. These battleships are the best ships that we have?

Admiral McVAY. The older ships; yes, sir. They are the 14-inch ships and the 12-inch ships.

Mr. KELLEY. You start with the *Delaware*, do you?

Admiral McVAY. Yes, sir.

Mr. KELLEY. And then come up as far as what ship?

Admiral McVAY. The *Idaho* is the last one.

Mr. KELLEY. Then from the *Idaho* up all of these improvements your are speaking of are practically already installed?

Admiral McVAY. They are installed or will be installed under the armor and armament appropriation.

Mr. KELLEY. You think it is necessary to go clear back to the oldest dreadnaught, do you?

Admiral McVAY. We are taking the 14-inch ships. That is now the department's policy.

Mr. KELLEY. Ships of the same caliber ought to have, generally speaking, the same devices for firing, I suppose, is that it?

Admiral McVAY. Not only that, but they ought to be up to date. The ships that you count on in your first line you bring up to date. From time to time the Navy Department lays down the policy and says, "These ships no longer belong in the first battle line." Then we do not bring them up to date.

Mr. KELLEY. Is it necessary to do all of this in one year? Do you not think you better divide the work?

Admiral McVAY. This work we can do during the overhauling of the ships this year.

Mr. KELLEY. While the ships are in for other purposes?

Admiral McVAY. Yes, sir; and we have to get them as they come in for the overhaul.

Mr. KELLEY. Suppose you let a number of these ships go for another year and do this in two years instead of one?

Admiral McVAY. That would be all right if you could guarantee what would happen in the intermediate time, but I would not personally take the chance. I do not think it is wise to postpone bringing a modern ship up to date in every particular. It is not a good policy, and it is not the department's policy.

Mr. KELLEY. Of course, undoubtedly this is a repair that the people of the country would want to see made. The only question is, as long as it is a job of a certain size, whether we can cut it into a small part this year and a small part next, which would not do much damage probably, and might be a little help in the way of economy, and might enable you to reduce your navy yard force a little bit, which I think the bureau chiefs are interested in.

Admiral McVAY. We are interested in that, sir, but I am hired to keep—

Mr. KELLEY. You are sure, Admiral, that you do not have in mind any of the time the supplying of enough work to keep the number of men that are in these navy yards there still for another year?

Admiral McVAY. I have no such idea in my head. The only idea I have is to bring our ordnance material up to what it should be in time of war. Personally, I do not care whether you get it at the navy yards or at commercial concerns. The only thing I am interested in is that you get it and get it quick.

Mr. KELLEY. If we could reduce the mechanical expenditures of the Navy, it would take a terrible load off of you. Seventy-five thousand mechanics and navy yard employees, you know, is a tremendous load.

Admiral McVAY. But, Mr. Kelley, I think that you overlook the fact that—I do not think you overlook it, but I would like to tell you that the navy-yard people are the same kind of people that are working for commercial concerns, and they are not different. They get just as hungry, they work just as hard, and the need the money just as much; and if they are not working for the Washington Navy Yard or some other navy yard, they will be working for some commercial concern.

Mr. KELLEY. That is what I would much prefer.

Admiral McVAY. I know; but if we can take those same men, these 6,000 men that we have employed at the Washington Navy Yard, and save the Government \$50,000 on every 16-inch gun we make, I do not see why we should not keep them. That is the way I look at it. To me it is a matter of business. You give me so much money to do so much work. I have either got to do it at a Government factory or do it outside. I have got so much money to do so much work with and get so much material. If I can not do it at the navy yard on account of the cost, I buy it from a commercial concern—

Mr. KELLEY. Just a moment, Admiral. You have here a Navy with something like 1,200 or more ships in it. It has not been any length of time at all since we considered the ships in the upper part

of the predreadnaught type of very great value, and we were spending huge sums of money on them in these navy yards installing new inventions and things of that kind. What has become of those ships right now?

Admiral McVAY. No matter what has become of them, when we had them they were worth a good deal of money.

Mr. KELLEY. Last year, or the year before last, the Navy Department was up here asking for \$18,000,000 for those old ships which now they simply tie up to the dock somewhere and shellac, or whatever they do to them when they put them in cold storage, so there is no end to the amount of money that you can spend if you are going to put new improvements on every ship that is in the American Navy.

Admiral McVAY. But what has become of the money we have all paid for insurance policies for the last 20 years? That has gone and we are still here.

Mr. KELLEY. The point I am making is this, that you have a lot of old ships here the *Delaware*, which is not in better shape than we thought the *Michigan* or *South Carolina* or *Connecticut* was five or six years ago relatively.

How long will it be before this *Delaware*, which you are going to fix up this year for a large sum of money, will be shellacked and put in cold storage?

Admiral McVAY. Well, that I do not know; but I see exactly what you mean, and I thoroughly agree with you in a way. But a ship is of value only so long as she is better than a foreign ship of the same type; the minute some other ship gets ahead of her in outfit or equipment, then you have to get something to beat that. Where this money is spent in bringing ships up to date and ships that are capable of being brought up to date it is much like relining a gun—where you can reline a gun it is economy over building a new gun. The same way with a pair of shoes; if you have a pair of shoes that can be half-soled and they will still be a good pair of shoes, you will save a good deal of money over buying a new pair of shoes.

Mr. KELLEY. Suppose we left the remodeling of these old battleships until we knew about our world policy. We will know in a year or so whether or not we will put a limitation on armament. I think all of you want a limitation on armament, not a limitation at the top, but a limitation at the bottom, by scrapping these old ships. Would it not be in accordance with a proper policy if we said these old ships like the *Delaware* should not be brought up to date for one year, because if we got a reduction of armament, perhaps we would scrap some of the ships as far as the *Delaware* then, and possibly a little further.

Admiral McVAY. When that policy is signed and agreed to and you believe it, then let us quit bringing them up to date, but until you are satisfied in your mind and everybody else is satisfied that that is the straight goods—if I may use that expression—and until you are really going to do it, you had better bring your ships up to date.

Mr. KELLEY. Do you think Great Britain is bringing such ships up to date?

Admiral McVAY. Yes.

Mr. KELLEY. And putting on this new fire control?

Admiral McVAY. Yes.

(Informal proceedings followed, which, by direction of the chairman, were not reported.)

The CHAIRMAN. The only question we had in mind was whether we wanted to go back as far as the *Delaware* with this control.

Admiral McVAY. Yes; we do.

Mr. KELLEY. Whether or not it will all be done in one year.

Admiral McVAY. Yes; we want to finish it up right away.

Mr. KELLEY. What is said about the fire control is equally applicable, is it, to optics for battleships?

Admiral McVAY. Yes.

Mr. KELLEY. The same need for destroyers?

Admiral McVAY. Yes.

Mr. KELLEY. How many destroyers will this bring up to date?

Admiral McVAY. This takes in 105 destroyers.

Mr. KELLEY. \$1,500,000?

Admiral McVAY. Yes, sir. That we have put down to cover just what we could do this year.

Mr. KELLEY. Where is this work to be done?

Admiral McVAY. The instruments we are now making—you remember we had a plant at Dayton, Ohio, that we bought during the war, and sold that plant and transferred the work to the New York Navy Yard, and we are doing it there; \$2,750,000 was asked for, and I figured out how much we could do within the next year and got it down to \$1,500,000.

Mr. KELLEY. On destroyers?

Admiral McVAY. Yes.

FIRE CONTROL FOR ADVANCED BASE.

Mr. KELLEY. What is this "Fire control for advanced base"?

Admiral McVAY. That is a Marine Corps item.

Mr. KELLEY. Explain a little more fully about that.

Admiral McVAY. About what?

Mr. KELLEY. About fire control for the advanced base. I know what the advanced base idea is.

Admiral McVAY. Well, in any gun under modern conditions, instead of standing behind the gun and firing it directly at the enemy, you can take station at some distance from it; for instance, if you put your gun behind a hill and put your observer in an airplane or on top of a hill by himself and connect up with the battery, he can see where the shots hit, through his binoculars, and then can tell the man at the gun that the shot went so far to the right or that it went so far to the left or so far over, or that it went so far short, and that can be worked out on a plotting board and then the fire control officer would signal "Lower your gun" so many degrees, or train your gun so much to the right, or so much to the left; in other words, he directs the gun from a distance rather than from right behind it, and these instruments are for controlling that fire.

Mr. KELLEY. Well, how many instruments would a hundred thousand dollars supply?

Admiral McVAY. Well, antiaircraft equipment—that is, such things as searchlights and a listening device, and they take this

listening device and plot a bearing and get a range and then fire accordingly. I mean, as this plane would come down they would listen to it, and they would get a series of lines, and taking the speed of the plane they could plot a curve and get where it would probably be met and then fire accordingly, very much as you would fire ahead of a ship after getting her speed and that sort of thing.

Mr. KELLEY. How many outfits—if you call them that—for \$100,000?

Admiral McVAY. I would have to look that up; it is in the correspondence. They ask for \$200,000 and I went to Gen. Lejeune and asked if they could not get along with half of that, and he said yes; and so I asked for \$100,000 for this year.

Mr. KELLEY. This is for the proper and ordinary teaching of the Marine Corps to carry on this kind of work if they are ever called upon to do it.

Admiral McVAY. Yes.

Mr. KELLEY. What about those four-reel trucks for advanced base?

Admiral McVAY. That is the same thing.

Mr. KELLEY. Well, it is not possible we have got to buy trucks now, is it?

Admiral McVAY. Yes. Gen. Lejeune can tell about it. These reel trucks are to carry wire if you are laying a telephone connection, you run this wire along on the trucks and unreel it and hook up your telephone and telegraph instruments and get into communication.

Mr. KELLEY. I can see in time of war how we might want that, but after having passed through a war, I should think we could get along now for a spell. What do you think?

Admiral McVAY. You do not want it often, but when you want it you want it pretty bad.

Mr. KELLEY. After all the billions you have had at your disposal, if you haven't bought more trucks for this thing that is too bad. What do you want of them now?

Admiral McVAY. We may want a lot of things now that we do not have, but I am going to let you ask Gen. Lejeune.

TELEPHONE TRUCKS FOR ADVANCED BASE.

Mr. KELLEY. The next is the same thing, four telephone trucks for advanced base. What is a telephone truck?

Admiral McVAY. A truck to carry the telephone equipment; it is a regular traveling telephone central.

MANUFACTURE AND REPAIR OF TARGET MATERIAL.

Mr. KELLEY. Section M, manufacture and repair of target material.

Admiral McVAY. That is the usual expenditure.

Mr. KELLEY. \$500,000?

Admiral McVAY. Yes.

MODERNIZING AND BRINGING GUN MOUNTS UP TO DATE.

Mr. KELLEY. Here is an item as to gun mounts, modernizing and bringing present installments up to date, \$500,000; tell us about that.

Admiral McVAY. There are 7,000 in storage and 5,000 installed aboard ship, and all of them require attention to prevent deterioration, and that money is to attend to that.

Mr. KELLEY. Well, suppose it is not done; what will happen?

Admiral McVAY. We have 12,000 mounts that will not be of any use. If we want to put them on ship, we would have to make new ones. If we left them out in the open they would deteriorate so we would have to have new ones.

Mr. KELLEY. Are they outdoors?

Admiral McVAY. Some of them. As fast as we can overhaul them we are putting them under cover, and in the meantime putting them under temporary shelter, overhauling them, and putting them in temporary storage. You see, when they came back from these merchant ships they were in pretty bad shape, and what we are doing now is getting them in good condition and modernizing them and storing them.

Mr. KELLEY. What size guns are these?

Admiral McVAY. Most of them from 3 to 6 inches.

Mr. KELLEY. There is another million dollars you are putting into those small guns—\$500,000 in one and \$400,000 in the other, which would be \$900,000 for general repair, overhauling, and preservation. You include both; you include \$500,000 for bringing up to date, and the next was \$400,000, an item for the same thing—general repair, overhauling, and preservation. You could put all of that into one item, \$900,000, could you not?

Admiral McVAY. I see what you mean. One is for general repair, overhauling, and preservation.

Mr. KELLEY. If you modernize them you will repair and overhaul, will you not?

Admiral McVAY. No, sir. The modernizing means changing the parts; for instance, we get a gun back from aboard ship and it has probably had a 20-degree elevation. Now, we will change that to give it 30 or 40 degree elevation, and that requires a certain number of new parts. The overhaul and preservation is a different thing; that is for taking care of it.

Mr. KELLEY. You estimate that rather broadly, do you not, that \$400,000?

Admiral McVAY. No, sir.

Mr. KELLEY. How do you reach that figure?

Admiral McVAY. We reach that figure by the number of guns we have in store and the expenditure on them at different places, such as Mare Island, Fort Mifflin, and some at Charleston, some here in Washington, and some at Hingham, and as we have no one place that is big enough to put them all, even if we wanted to put them there, and also they require a certain amount of oil and grease and men to look out for them—

Mr. AYRES. Was there not an appropriation referred to this forenoon for relining them, is that the same thing?

Admiral McVAY. No; the guns that have been relined are guns that have been fired a number of times, those guns that are to be relined are guns from aboard ship. These are guns that have been aboard ship and were used during the war and have been landed and we are bringing up to date.

Mr. SISSON. How many of them?

Admiral McVAY. There are 7,000 now in storage and 5,000 aboard ship.

Mr. Sisson. Twelve thousand altogether?

Admiral McVAY. Yes, sir.

Mr. Sisson. What are they worth after they are repaired?

Admiral McVAY. They are worth a new gun. A 3-inch gun is worth about \$4,000 and a mount is worth about \$8,000, or something like that.

Mr. Sisson. \$5,000 each for the 3-inch gun?

Admiral McVAY. About \$4,000.

Mr. Sisson. What are the 6-inch guns worth?

Admiral McVAY. They would run about \$14,000.

Mr. Sisson. That would be \$35,000,000 worth of stuff?

Admiral McVAY. Yes; you do not want to throw that away.

Mr. KELLEY. Now, these mounts and the guns are in storage in large numbers, and you have not had opportunity yet to repair them all and get them in shape?

Admiral McVAY. No, sir.

Mr. KELLEY. And this is a continuation of the program of repair and putting in storage for use in case they should ever be needed?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Does this contemplate going forward with the program of repair any faster than you were last year?

Admiral McVAY. No, sir.

Mr. KELLEY. Just about the same?

Admiral McVAY. The same as last year.

Mr. KELLEY. And this will not put them all in repair, of course?

Admiral McVAY. No, sir.

Mr. KELLEY. You will have others next year and probably the year following?

Admiral McVAY. Oh, we just carry along, keep going with the money we have, with the hope of finishing it up within a couple of years; but at the same time with an organization such that if necessity demanded we could jump in with more men and finish it up in a very short time.

Mr. KELLEY. And these are guns that were on commercial ships?

Admiral McVAY. Yes.

Mr. KELLEY. And would not be needful except in case of war?

Admiral McVAY. No.

SMALL ARMS, GENERAL REPAIR AND MAINTENANCE.

Mr. KELLEY. Now, small arms, general repair and maintenance, \$100,000.

Admiral McVAY. We have a number of those. Of course, we are using them all the time with landing forces from the fleet.

Mr. KELLEY. You have a great stock of small arms?

Admiral McVAY. A stock, but not a very great stock, no, sir; we have just a medium stock, and these, as they come back on the ships, after they have their target practice down South, and everybody on board ship fires nowadays practically, they are turned in and over-hauled.

Mr. KELLEY. What guns are these?

Admiral McVAY. These are rifles and machine guns and pistols.

ORDNANCE FOR AIRPLANES.

Mr. KELLEY. The next is section M A.

Admiral McVAY. That is the airplanes.

Mr. KELLEY. Guns and gun sights, bomb gear and sights. How much of this appropriation is for aircraft?

Admiral McVAY. Nothing.

Mr. KELLEY. I mean for the repairs.

Admiral McVAY. Nothing.

Mr. KELLEY. Or for bombs.

Admiral McVAY. The Bureau of Ordnance buys for airplanes the same as it does for ships, all ordnance material; no money from ordnance goes to aviation.

Mr. KELLEY. How much of this is for ordnance for airplanes?

Admiral McVAY. All of it.

Mr. KELLEY. How much does it amount to?

Admiral McVAY. \$577,950.

Mr. KELLEY. That is not for new aircraft, but to equip the airplanes we now have?

Admiral McVAY. Yes, sir.

Mr. KELLEY. That has relation to the mines. I wish you would explain, Admiral, the operations of the Navy and the Army; that is, where the one begins and the other leaves off as to mines.

Admiral McVAY. There is a joint board. Each district to be mined is discussed by this joint Army and Navy board, and this board draws up a plan for mining and furnishes charts to the Bureau of Ordnance for its comments and criticisms, and also to the proper Army authorities, and then we comment on that, and the plan is then finally drawn up. The general dividing line is that the Navy furnishes mines that are not shore controlled.

Mr. KELLEY. Out of what appropriation do you build the new mines?

Admiral McVAY. It is not increase of the Navy, so we get it under ordnance and ordnance stores or under a special appropriation.

Mr. KELLEY. If you did not have any special appropriations or something here, you could not build any new ones?

Admiral McVAY. We could not build any new ones and we could not modify the old ones.

Mr. KELLEY. Where you could repair the old ones.

Admiral McVAY. Yes; we could repair them.

Mr. KELLEY. What percentage of this, to put it that way, so the question will be all right, what percentage of this sum is for new mines?

Admiral McVAY. I would rather that these figures be not put in the record.

(Informal proceedings followed which, by direction of the chairman, were not reported.)

Mr. KELLEY. I take it about half the money you are planning on for mines is for new mines?

Admiral McVAY. Yes, sir.

Mr. KELLEY. And the other money is for care and preservation of those you have on hand, and for equipment, etc., of a mine depot?

Admiral McVAY. Yes.

Mr. KELLEY. Do you care to have it put where that depot is?

Admiral McVAY. Well, I think it is generally understood that Yorktown is our main depot.

EQUIPMENT AND MAINTENANCE MINE LABORATORY AND DEPOT.

Mr. KELLEY. How much of that is for equipment?

Admiral McVAY. Equipment and maintenance of the mine laboratory, \$25,000, and maintenance of the depot, \$236,000. That makes \$261,158, and I cut that down to \$232,000 because that was the amount, after we went over the expenditures up to the time we made this out, we found that they ran about that much for the maintenance, and so I could cut off \$65,000.

Mr. KELLEY. I do not quite see how a mine depot, which is really a storage place, I suppose, should require so much for maintenance.

Admiral McVAY. They are adding to it all the time.

Mr. KELLEY. This is practically an item of maintenance?

Capt. BLOCH. Yes.

Admiral McVAY. I cut out \$65,000.

Mr. KELLEY. The field of operation between the Army and Navy is just a matter of agreement?

Admiral McVAY. Yes.

Mr. KELLEY. Is it harbors that they take care of?

Admiral McVAY. They provide the mines that are controlled from shore. For instance, where you mine a harbor, our ships may still be able to go in and out, and wherever they mine across a channel those mines are not by contact, they are by push button or some other way. Wherever there is a contact mine we put them down; we put down all harbor defense nets. All the Army had they turned over to us.

Mr. KELLEY. That limits your jurisdiction?

Admiral McVAY. It limits our jurisdiction.

Mr. KELLEY. If it is a shore control affair, the Army has it, and if it is not the Navy puts it in?

Admiral McVAY. Yes; it is clearly defined and there is no duplication of effort as to mines. You see this joint board now is going right along and working together, the Army and Navy, so we can prevent duplication.

Mr. KELLEY. In view of the large number of mines which you say you have, which are costing so much to remove and so on, could we not cut the appropriation for mine material and the manufacture of new ones, etc.?

Admiral McVAY. No; because these mines are required for a specific purpose, and the mines on hand—

Mr. KELLEY. Where do we manufacture our mines?

Admiral McVAY. At the Norfolk Navy Yard we manufacture some, but this particular thing we are manufacturing now we are making parts of the firing mechanism in one commercial plant and other parts in another commercial plant, and assembling them in one of our own plants.

Mr. KELLEY. And you want as much as \$26,000 for that purpose next year?

Admiral McVAY. Yes, sir.

REQUISITION AND CONTINGENCIES.

Mr. KELLEY. Now we come to a big item, requisition and contingencies, \$1,033,950.

Admiral McVAY. That is Capt. Bloch's particular "pigeon," everything that is used at any station, that is for general use, is obtained on requisition, and we average the expenditures, get the average for each month and average the months, and figure out how much we will need to run the different ships and stations, and we figured out that would just cover it.

Mr. KELLEY. Well, what is it?

Admiral McVAY. I will let Capt. Bloch tell you, as he has it at his finger's end.

Capt. BLOCH. That sum of money is an estimate that has been prepared from the best information we have at hand, what we will probably require next year for this purpose. Just to give an example, if any unforeseen contingency should arise we must have a means of meeting it, and if we took all the money we were given by Congress and allotted it so that there would be nothing of what might be called velvet, then if anything happened that was not expected to happen there would be no way of meeting it. So in making our allotments at the beginning of the year we make them in such a way so that there is always a portion of the money left unallotted, which can be used for this item here. By requisition—I mean requisitions for material which are requested for under ordnance appropriation—general stock material that is common to the Navy, like bar copper and bar steel, and certain material like that, is purchased by the Bureau of Supplies and Accounts under the naval supply account and is stubbed out by the various stations charging it to their current allotment for material. If a navy yard wants a certain equipment which they can not buy from this, they have to submit a requisition, which has to pass across my desk and be O. K'd before the Bureau of Supplies and Accounts purchases it. That covers a multitude of things which they ask for. For instance, at the powder factory at Indianhead they ask for quite a large amount of chemical supplies which they use in their laboratories there. That is one of the requisitions that passes across my desk.

Other requisitions pass across which are replacements for the smaller machine tools which our appropriations can stand. So far this year, to January 6—from July 1 to January 6—we had passed \$493,000 worth of requisitions. That is at the rate of a million dollars a year—that is, covering those things—and this estimate is based on the previous six months, which was about the same amount. Now, as I explained to you this morning, we have been very careful in this requisition business to disapprove the things which it was not perfectly apparent on the face of it were a necessity, with the idea of discouraging people from making requisitions and to a large extent that policy has been successful, because we have reduced our requisition allotment, I think, by about 50 per cent of what they were. I might give an instance that just occurred to me. A short time ago we got a telegram from the commandant of Mare Island Navy Yard to the effect that the wharf at the naval ammunition depot had been condemned and he was unable to unload any ammunition there for the Pacific Fleet. The piles of this wharf had been practically de-

stroyed by teredo and it was almost ready to cave in, and it meant that we had to pay for the cost of transporting this ammunition up to the yard and lightering it to the ships. But this arrangement of having this amount of money that was not obligated to any other particular fund permitted us to take several thousand dollars to repair this wharf, which we could not have done otherwise. The same thing might happen in the case of a fire or some other accident that would not involve the erection of a building. We can not erect a building out of this fund, but we can replace equipment. The Washington Navy Yard had a fire at its acetylene plant, which did a good deal of damage. That was last June. We had to replace the equipment to that building, and it was a very expensive item.

Mr. KELLEY. So you apportion at the yards a certain sum—at the yards and stations, I mean—each month?

Admiral McVAY. Yes.

Mr. KELLEY. And they had to keep within their allotment?

Admiral McVAY. Yes.

Mr. KELLEY. And then, if any emergency arises which requires them to spend something that they did not foresee, they have to come to you for authority?

Capt. BLOCH. Yes.

Mr. KELLEY. And you meet that out of this lump sum?

Capt. BLOCH. Yes, sir. That is the only explanation I can give. It is an estimate, but the most accurate that I can prepare.

Mr. KELLEY. It might be less than that, but you think some such sum is necessary to cover the situation?

Capt. BLOCH. Yes, sir.

Admiral McVAY. It usually runs that.

Capt. BLOCH. You remember a few years ago, before the war, you had an item giving the bureau authority to spend up to and not exceeding \$30,000 for the replacement of buildings, and then you substituted "improvements," and then there was some objection to that word "improvements," because you thought that under that we might spend the whole appropriation on improvements. The way it is now we are unable to spend anything on buildings. For instance, last week one of our dry houses was destroyed by an explosion of powder, and there was a loss of life. Now, we have no way to replace that building or provide any structure to take its place. Fortunately the powder plant is larger than the amount of powder we are making requires, but it might hit us at a place where that would be a serious matter.

Mr. KELLEY. You probably would have to come to Congress to get the authority then?

Admiral McVAY. Yes; we would have to. I think I estimated \$1,081,000 for this.

PAY OF CLERICAL FORCE.

Mr. KELLEY. Now, tell us how we can reduce that item, classified employees, about \$500,000. You have \$2,000,000 in there and before the war you used to have \$505,000. That was as late as 1917. You had a deficiency of \$25,000. That made \$530,000 you had up to 1918, and then in 1918 it was \$1,250,000, with the deficiency and all. Now it seems as though it was time to come down.

Admiral McVAY. Mr. Kelley, I do not see how it can come down, because it takes in all of the technical people and all of the clerical people.

Mr. KELLEY. It did not cost that much in 1918, right during the war.

Capt. BLOCH. We had the enlisted people then, sir.

Admiral McVAY. We have a list there of how many people we had, I think it will show you better if we take the Bureau of Ordnance, where we had something like 300 reserves. We have no reserves now any place, we have no sailors, no enlisted men, and while you had \$1,800,000 there during the war, I doubt if that represented one-third of the cost. I have been over that and it would cripple us to cut it down. As a matter of fact, it cripples us not to have it now, and one of the things I wanted that \$500,000 for experiments for was to carry with it the authority to employ experts. We are in an awful fix in that way, as you know. When we go in for new construction we go before the general board, and there is a general discussion as to the characteristics of the ship, and they say what they want.

Mr. KELLEY. This sum is to pay the clerical force?

Admiral McVAY. The drafting, technical section, and messenger force.

Mr. KELLEY. Outside the city of Washington?

Admiral McVAY. Yes, sir.

Mr. KELLEY. Not in Washington?

Admiral McVAY. No.

Capt. BLOCH. We have \$70,000 inside the department, \$70,000 of this sum of money goes into the Navy Department.

Mr. KELLEY. How is that?

Capt. BLOCH. That comes out of the provision in the legislative bill, they put authority in the legislative bill to devote not exceeding \$70,000 of this money to the technical force of the Bureau of Ordnance.

Mr. KELLEY. When did we put that in?

Capt. BLOCH. It has been there all the time, sir. And, in addition to that, you have all your drafting, clerical inspection, and messenger force everywhere else, they all come out of this appropriation, with the exception of your statutory roll in the Bureau of Ordnance, which is under the legislative bill. You were speaking of 1917. In 1917, in addition to the fact that you had reserves, this building program had not been begun; it was authorized by the act of Congress of August 29, 1916, but there was practically no work done on this building program until the destroyers started in 1917.

I think the appropriations came under the emergency fund in 1917, after the declaration of war, and then along comes the torpedo-boat destroyer proposition, and then you have so many battleships, so many cruisers, and so many submarines to be built, all of which plans and designs and the inspection and everything must be carried out under this appropriation.

BUILDING PROGRAM.

Mr. KELLEY. Well, this building program is pretty well out of the way now, so far as we are concerned, is it not?

Capt. BLOCH. How do you mean out of the way?

Mr. KELLEY. This is a very large program, calling for an armament of how much altogether?

Admiral McVAY. About \$300,000,000.

Mr. KELLEY. And you had it all done?

Admiral McVAY. All but \$102,000,000.

Mr. KELLEY. \$55,000,000 is what you estimated you would use this year?

Admiral McVAY. There is \$87,000,000, and \$15,000,000 for ammunition, and that makes \$102,000,000.

Mr. KELLEY. Yes; you see that is pretty well whittled away; your drafting and designing and everything of that kind is done, I suppose?

Capt. BLOCH. No; you finish your general plans, and as you go along you develop the detail drawings; the first has to be developed and delivered first, and then the last developed and delivered last, and you have inspection up to the very last.

Mr. KELLEY. Now, if you slow down the construction on the new program a little along the line we have talked, Admiral, could we not get along with \$500,000 less for this classified service? I would like to see you get this down.

Admiral McVAY. I would like to have it come down, but I am sure we could not do it. We are overobligated now, or were, rather, and we had recently to discharge enough people to save \$143,000 in the next six months out of that. In other words, instead of spending \$2,000,000, we were spending at the rate of about \$2,243,000.

CIVILIAN FORCE AT NAVY YARDS, NAVAL STATIONS, ETC.

Mr. KELLEY. How much clerical force have you in Washington?

Admiral McVAY. Speaking of the force at the Washington Navy Yard, there will probably be a lot of people to see you very shortly, because we have got to discharge 25 clerks down there. Their discharge was dated the 15th of January; we have cut off \$143,000 at various stations.

Capt. BLOCH. That is at the rate of \$286,000 a year.

Admiral McVAY. That is, I think, as far as we can go.

Mr. KELLEY. Have you a table showing where the clerks are and the number at each place?

Admiral McVAY. Yes.

Mr. KELLEY. I think you had better put that in.

Admiral McVAY. Here it is [indicating]:

Statement showing chemists, clerical, drafting, and messenger service in navy yards, naval stations, etc., paid from appropriation "Ordnance and ordnance stores."

Station.	Technical group: Chemists, draftsmen, etc.		Clerical group: Clerks, stenographers, bookkeepers, mes- sengers, etc.		Total.	
	Num- ber.	Compensa- tion.	Num- ber.	Compensa- tion.	Num- ber.	Compensa- tion.
Navy yards:						
Boston, Mass.....	2	\$6,385.20	7	\$11,493.36	9	\$17,878.56
Brooklyn, N. Y.....	19	50,490.64	3	4,131.60	22	54,612.24
Philadelphia, Pa.....	6	14,923.84	6	10,642.00	12	25,566.84
Washington, D. C.....	174	434,519.12	204	306,364.40	378	740,883.52
Norfolk, Va.....	5	12,820.48	13	18,805.04	18	31,625.52
Mare Island, Calif.....	1	3,906.24	5	5,483.76	6	9,390.00
Puget Sound, Wash.....	1	2,854.56	8	12,394.80	9	15,249.36
Guam.....			1	1,001.60	1	1,001.60
Bureau of Ordnance.....	25	74,506.80			25	74,506.80
Torpedo stations:						
Newport, R. I.....	27	68,834.96	61	93,925.04	88	162,760.00
Alexandria, Va.....			40	66,260.64	40	66,260.64
Keyport, Wash.....			5	8,613.76	5	8,613.76
Naval proving grounds:						
Bureau of Ordnance.....	23	60,842.88	49	77,323.52	72	138,166.40
Ammunition depots:						
Hingham, Mass.....			7	12,895.28	7	12,895.28
Iona Island, N. Y.....			6	10,792.24	6	10,792.24
Fort Lafayette, N. Y.....			1	1,427.28	1	1,427.28
Lake Denmark, N. J.....			3	5,308.48	3	5,308.48
Fort Mifflin, Pa.....			7	13,496.56	7	13,496.56
St. Juliens Creek, Va.....			7	13,120.96	7	13,120.96
Mare Island, Calif.....			5	9,364.96	5	9,364.96
Puget Sound, Wash.....			3	5,008.00	3	5,008.00
Kuahua, Hawaii.....			2	4,181.68	2	4,181.68
Charleston, S. C.....			1	1,727.76	1	1,727.76
Olongapo, P. I.....			1	1,727.76	1	1,727.76
Navy mine depot, Yorktown, Va.....			2	4,306.88	2	4,306.88
Ordnance plant, South Charleston, W. Va.....	62	149,764.24	183	302,984.00	245	452,748.24
Inspection service.....	131	318,233.36	57	96,454.08	188	414,687.44
Total.....	476	1,198,072.32	687	1,102,035.44	1,163	¹2,300,107.76

¹ Necessary steps taken to keep expenditures within \$2,000,000.

Mr. KELLEY. Just put in a short table.

Admiral McVAY. Yes; it is in here now.

Mr. KELLEY. It seems like a large amount for clerk hire on a \$17,000,000 expenditure—\$2,000,000 for clerk hire.

Admiral McVAY. No, sir; that is wrong; you are not figuring it right. Because we have to take it out of this \$17,000,000 appropriation it does look large, but it should be taken out of the \$82,000,000 in order to figure it correctly, and then it is not so large.

Mr. BYRNES. About \$65,000,000 there, in getting your total. Where does the \$55,000,000 come in?

Admiral McVAY. \$55,000,000 is what we have asked for under "Armor and armament, increase of the Navy."

Mr. BYRNES. Are these clerks employed in that work, too?

Admiral McVAY. Yes; but they are paid for under this appropriation.

Mr. BYRNES. You say they are employed in that work?

Admiral McVAY. Yes, sir.

Mr. BYRNES. They are not engaged solely, then, in the work relating to this \$17,000,000?

Admiral McVAY. No. It just happens that they have to be appropriated for in this appropriation; we can not get them anywhere else, so it is \$2,000,000 out of \$82,000,000.

Mr. BYRNES. Have they no clerical hire under that \$55,000,000?

Admiral McVAY. No; no clerk hire there.

Mr. KELLEY. Before we leave this, these estimates were prepared when—I mean the details of them?

Admiral McVAY. The details of them were finally completed—

Capt. BLOCH. They had to be in the Secretary's hands, as I recall, on September 29—the original estimate—and since that time they have been revised by a meeting of the bureau chiefs of the Chief of Operations, together with the Secretary of the Navy.

Admiral McVAY. The last meeting was a month ago.

Mr. KELLEY. In ordnance, under "Increase to Navy," and ordnance repairs, the chief items are labor and material. What have you to say about the trend of prices for labor and material since these estimates were made?

Admiral McVAY. Most of our material is under contract and at prices which can not be changed.

Mr. KELLEY. Not under this item of "Ordnance and ordnance stores"; that is all an open-market matter, is it not?

Admiral McVAY. Yes. You see, now, I am talking about this subject not so much as Chief of the Bureau of Ordnance but simply from what I know of outside conditions, from people whom I see, as Chief of the Bureau of Ordnance and also as an individual. So I will ask that this be left out of the record.

Mr. BYRNES. With reference to employees at the navy yard, has there been any increase in the efficiency of the navy-yard employees within the last year? The reason I ask that is that just after the war there was considerable discussion as to the efficiency of labor, not only in the yards but in the industries.

WASHINGTON NAVY YARD—EMPLOYEES.

Admiral McVAY. Well, the Washington Navy Yard is absolutely different from any other navy yard; it has been established for a long time and we have men working there whose great-grandfathers have worked there and who expect that perhaps their great-grandsons will work there, and I think they are a very efficient body of men, very efficient now, and have been efficient in the past.

Wherever there has been any lack of efficiency it was possibly due to war conditions, when we took in anybody we could get, any man who could work.

Mr. BYRNES. That is the reason I asked the question. It looked to me that with the discharge of the temporary employees, presuming you would keep your most efficient men, there should have been an increase in efficiency in the yard.

Admiral McVAY. I think there has been. I was captain of the yard and assistant superintendent for about seven months and then commandant for three months before becoming chief of the bureau, and we went over the shops and examined them, and in accordance with the theory I have always had, that a Government plant could do work as cheap as commercial concerns, and in studying shops to see what could be done and educating the men I know we cut down the overhead somewhere about 30 per cent, and by talking to the men and eliminating the men that were not so good in one way and

another, so that the yard down there is a yard, as near as I can find, that has an overhead that is lower than the overhead of a commercial concern, and I think that is true on all of our yards, or most of them.

Mr. KELLEY. Have you any other questions about the general labor and business conditions, Mr. Byrnes?

Mr. BYRNES. I never did get the admiral's estimate on what the reduction would be on material.

Admiral McVAY. I answered as to labor, but as to materials I do not know; that is a question of supply and demand.

MATERIALS.

Capt. BLOCH. You can say this about materials: The naval and supply account now is carrying a stock left over from the war, about \$185,000,000 worth of material on account. That material we are obligated to buy irrespective of what the market price may be outside. For instance, if this copper that they have in stock was purchased at 30 cents a pound, even if the market price was 16 cents now, we would have to pay 30 cents.

So, generally speaking, we may say that a large portion of our stock on hand under the naval supply, etc., we are a great deal above the market price, because it was purchased at the height of the war. On the other hand, the material we have to purchase in the open market, I predict we will be able to purchase that for from 10 to 20 per cent lower than a year ago. So that it would seem to me that one would pretty nearly balance the other, and that your price of material is more or less stationary.

LABOR CONDITIONS.

Mr. KELLEY. And labor might decline 10 or 20 per cent?

Capt. BLOCH. Our next rearrangement of wages will be—when is the next wage board meeting?

Admiral McVAY. October, it usually meets.

Mr. KELLEY. October next?

Capt. BLOCH. Yes. It did not meet last October, so it could be called in July. Possibly there will be a meeting in July, but certainly in October. There is another feature that might well be considered in this discussion of labor conditions and material costs, and that is if there remains a slackness in the labor situation, you might say the country is greatly overcapitalized for production now, and where there were 10 firms that produced drop forgings, for instance, there are probably 40 in that business now, and the production is much greater than the demand; and so a great many of these plants will be running 30 and 40 and 50 per cent, instead of 100 per cent, and that means that each of those plants is going to have the unit of that product pay a corresponding increase in such charges as overhead. That is, a plant running 100 per cent capacity has a certain overhead charge, and if they shut down part of their production, they still have that overhead; the overhead can not be reduced proportionately. So, instead of looking for so much decrease in cost as you might expect, you will find that you will not get that much, because they are not running at full capacity.

Mr. KELLEY. There are a couple more items that we wish to cover, and then perhaps you will have to come back to-morrow for your special items.

Admiral McVAY. We have not any special items.

Mr. KELLEY. Perhaps not. Then we will finish up these two items, and that will be all with you, Admiral.

Admiral McVAY. The yards and docks was the only thing I cut out. I had to cut out something to reduce the amount, and I cut out the lunch room, \$45,000. The men came to me down there, not as a labor union, but as shop committees, and they wanted this lunch room. In one shop there are 3,000 men, and they have only one little lunch room that is not much good, and it is a 12-minute walk from where this shop is, and I did want this money to put a lunch room in near them, and it would certainly save the Government quite a little money if we did it; but it was cut out with my consent in this Board of Bureau Chiefs, and I know that it was very important, but I had to cut out something, and so I cut out this.

PURCHASE AND MANUFACTURE OF SMOKELESS POWDER.

Mr. KELLEY. Purchase and manufacture of smokeless powder. You had \$200,000 and you want \$200,000 more. Is this at Indianhead?

Admiral McVAY. It is Indianhead. One half of that is for a special powder.

Mr. KELLEY. I suppose you would not need this at all except to keep the plant going?

Admiral McVAY. No; it is shut up now; we are waiting for a test, but I want to continue those experiments for larger calibers and make that special powder. And the other is the reworking.

Mr. KELLEY. And the appropriation for Indianhead would be this and the increase in the Navy in additions, whatever there is there; that is where you would get the money to run the powder plant?

Admiral McVAY. Yes.

TORPEDOES AND APPLIANCES.

Mr. KELLEY. Torpedo appliances, etc., \$100,000. You do not care for that, do you?

Admiral McVAY. Yes; I want that, because that covers odds and ends for torpedoes, and it is particularly in connection with the torpedo plane.

Mr. KELLEY. But you have your ordnance in ordnance stores there.

Admiral McVAY. We can not buy torpedoes.

Mr. KELLEY. But you can manufacture them, you have your material and everything there.

Admiral McVAY. But if the Government is going to cut us down to a million and a half and then expect us to buy them out of that, we can not do it. You might put it back in ordnance and ordnance stores.

EXPERIMENTS, BUREAU OF ORDNANCE.

Mr. KELLEY. Experiments, Bureau of Ordnance. Is there anything more you want to say on that?

Admiral McVAY. No. You know the general subject.

Mr. KELLEY. Perhaps you had better make a statement for the record as to what you want there.

Admiral McVAY. Experiments, ordnance, among the items of experimental work, which it is believed the bureau should pursue as far as practicable, are the following: Ballistic investigations involving designs for guns and armor and the extension of our knowledge of ballistics to the greatest degree for which personnel can be obtained.

Investigation of fuses, including the various kinds.

Investigations of explosives, including new propellants, high explosives, explosive systems and service material, and effective underwater explosives.

Torpedoes, mines, depth charges, mechanics, and explosive details.

Ordnance for aircraft.

Pyrotechnics, including projectile signals and flares.

Smoke signals.

Gas warfare.

Special ammunition, such as shrapnel, spotting shell, and smoke shell.

Mr. FRENCH. Then, there is torpedo shell. Do you want that cut out?

Admiral McVAY. Yes. Under the appropriation some years ago there was put in the expression "and torpedo shell," and that was to cover a specific case. That was experiments. That was to cover a specific case of a shell developed by one person, and two boards have now fully tested it and the Government has spent \$30,000 or \$40,000 on it, and each board has reported that there is no longer any value in it, and I would like those particular words cut out, because if we want to use that money for that purpose we can do it.

Mr. KELLEY. What words cut out?

Admiral McVAY. "And torpedo shell."

The only thing it was put in for was to make us do it, and now we have done it and finished the tests, and we do not want it, and I want to get it out, because it is a lever to annoy me.

Mr. BYRNES. Well, I am in favor of taking it out. You have to have the word shell in there, would you not?

Admiral McVAY. Projectiles cover that.

Mr. BYRNES. Armor-piercing and other projectiles?

Admiral McVAY. That covers it.

Mr. BYRNES. Would you not have to say "and armor-piercing shell and other projectiles"?

Admiral McVAY. No.

Capt. BLOCH. I think "armor-piercing and other projectiles" will cover that.

Mr. BYRNES. It reads "for experimental work in the development of armor-piercing and other projectiles." Is that all right?

Admiral McVAY. Yes, sir. Leave out that "shell."

Mr. KELLEY. Have you apportioned the amount that you have asked for to these various experimental purposes?

Admiral McVAY. No. I will when I find out what we get.

Mr. KELLEY. Just for the hearings, I mean; the amount to be expended for each purpose, making up the total of \$500,000 that you ask for. You can put that in when you correct your statement if you like. That is as far as you want to go—experimenting, \$500,000?

Admiral McVAY. Yes; and we won't throw any of it away.

CONTINGENT EXPENSES, BUREAU OF ORDNANCE.

Mr. KELLEY. Contingent, Bureau of Ordnance, you had \$25,000, and you are asking for the same?

Admiral McVAY. Yes; we have had that for 15 or 20 years.

Mr. KELLEY. That is to take care of small miscellaneous matters, such as light and water?

Admiral McVAY. Light and water and heat.

Mr. BYRNES. How much balance are you going to have this year in this contingent fund?

Admiral McVAY. We spent \$25,000 last year.

Mr. BYRNES. What made you think you would need \$25,000?

Admiral McVAY. We do not spend it unless we need it.

Mr. KELLEY. It used to be \$9,500.

Admiral McVAY. But that was many years ago.

Mr. KELLEY. With this contingent fund of a million and something there, which you are saving out of the \$17,000,000, I suppose this contingent fund would come out altogether.

Admiral McVAY. We do not like to have anything out that is in. That is only \$25,000.

Mr. KELLEY. Out of the \$17,000,000 you are holding back a million to take care of things you can not foresee, and I would not think you would need anything else.

Admiral McVAY. We watch our balances very carefully.

Capt. BLOCH. If you will put the word "books" in the other it will be all right.

Admiral McVAY. If you put "books" in "ordnance and ordnance stores," where you took out the other, that will straighten that up.

Mr. KELLEY. Well, that will be all right; let it go.

Mr. BYRNES. You have cartage and express and light and water and all that.

Mr. KELLEY. Now, I think there were some amounts this morning that you were going to furnish.

Admiral McVAY. Yes; they will be sent to the committee.

Mr. KELLEY. And possibly you had better send down a little statement right away, because it may take a few days for the hearings to reach you.

Admiral McVAY. I will send them down to-morrow.

WEDNESDAY, JANUARY 19, 1921.

BUREAU OF ENGINEERING.

STATEMENT OF REAR ADMIRAL ROBERT S. GRIFFIN, CHIEF.
ENGINEERING, REPAIRS, PRESERVATION, ETC.

Mr. KELLEY. We have with us this morning Admiral Griffin, Chief of the Bureau of Engineering. Last year, Admiral, under engineering, repairs, preservation, etc., you had \$29,050,000.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. How much are you asking for this year on the revised basis of 100,000 men in the Navy?

Admiral GRIFFIN. On the revised basis of 100,000 it would be \$30,625,000. The original estimate was \$33,670,000, and the reduction, on account of the reduction in the enlisted personnel from 143,000 to 100,000, involves a reduction of \$3,045,000 in my estimates.

Mr. KELLEY. Your original estimate was \$33,670,000?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And you have revised that on the new basis and it amounts to \$30,625,000?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. You have made an itemization following the language in the bill?

Admiral GRIFFIN. Yes, sir.

REPAIRS, PRESERVATION AND RENEWAL OF MACHINERY, ETC.

Mr. KELLEY. The first clause is "for repairs, preservation and renewal of machinery, auxiliary machinery, and boilers of naval vessels, yard craft, and ships' boats, distilling and refrigerating apparatus."

Admiral GRIFFIN. I would like to state, Mr. Kelley, that that itemization is a good deal of a guess for the individual items because it is simply impossible to get from any cost returns the exact amount, but the total of those first three items agrees very closely with my estimate of the cost of the work on the ships, involving those items.

Mr. KELLEY. How much would that be under this revised figure of 100,000 men?

Admiral GRIFFIN. Well, I do not have it in that way, because my estimate is made up by ships of classes, each class so much.

Mr. KELLEY. In the statement you have furnished me, under the clause which I have just read, the amount is \$11,910,000.

Admiral GRIFFIN. Of course, there is a considerable reduction in that item; practically all of it would be in those first five items.

Mr. KELLEY. You have scaled down your request, based on the 100,000 men, about 10 per cent?

Admiral GRIFFIN. Just about; yes, sir.

Mr. KELLEY. Would that take off 10 per cent on each one of these items?

Admiral GRIFFIN. That would be about as close as you could get it.

Mr. KELLEY. That would take off of that item \$1,191,000?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Then that would be about \$10,719,000?

Admiral GRIFFIN. Yes, sir.

REPAIRS, PRESERVATION, AND RENEWALS OF ALL ELECTRICAL APPLIANCES.

Mr. KELLEY. The next clause relates to "repairs, preservation, and renewals of electric interior and exterior signal communications, and all electrical appliances of whatsoever nature on board naval vessels, except range finders, battle order, and range transmitters, and indicators, and motors, and their controlling apparatus used to operate machinery belonging to other bureaus," and the amount is \$5,525,000, less about 10 per cent.

Admiral GRIFFIN. Yes; that would be about \$5,000,000, in round numbers.

SEARCHLIGHTS AND FIRE-CONTROL EQUIPMENT FOR ANTIACRAFT DEFENSE AT SHORE STATIONS.

Mr. KELLEY. The next clause is "searchlights and fire-control equipments for antiaircraft defense at shore stations," and the amount is \$90,000.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. On the basis of the full authorized strength of the Navy it was \$100,000, and \$90,000 on the basis of 100,000 men?

Admiral GRIFFIN. Yes, sir.

MAINTENANCE AND OPERATION OF COAST SIGNAL SERVICE—LAND FOR RADIO SHORE STATIONS.

Mr. KELLEY. The next clause is "maintenance and operation of coast signal service, including not to exceed \$20,000 for the purchase of land necessary for radio shore stations."

Admiral GRIFFIN. That is \$2,700,000.

Mr. KELLEY. Do you think it necessary to continue this item of \$20,000 for the purchase of land?

Admiral GRIFFIN. We ought to continue that, because, although we did not use it all, an occasion might arise where we would need it. The expenditure for land last year amounted to \$3,501.

Mr. KELLEY. Do you know the total number of radio stations you now have?

Admiral GRIFFIN. I will put that in the record.

NOTE.—There are in operation 145 radio stations, including 10 for distant control and 42 radio compass stations.

EQUIPAGE AND SUPPLIES FOR MAINTENANCE OF NAVAL VESSELS, ETC.

Mr. KELLEY. The next clause is "Equipage, supplies, and matters under the cognizance of the bureau required for the maintenance and operation of naval vessels, yard craft, and ships' boats."

Admiral GRIFFIN. I make that \$2,275,000; that would be the amount with the 10 per cent reduction.

Mr. KELLEY. Just what is the necessity for carrying that clause, "Maintenance and operation of naval vessels"?

Admiral GRIFFIN. I really do not know, but it has been in there from time immemorial, and it occurs in the accounting, too. The accounting returns are made under three heads—maintenance, re-

pairs, and alterations. However, I think it is very hard to distinguish between them, because one involves the other, it seems to me.

Mr. KELLEY. It is probably the original language that was carried here, and then other language has been added to it, so that it may or may not have much significance at the present time.

Admiral GRIFFIN. Yes, sir; but I think it is well to retain it, because it does cover operating costs, which are not included either in repairs or alterations.

Mr. KELLEY. It is like a statute. Even though it is cumbersome and seems to repeat, if it has been construed and everybody knows what it means, it had better stand.

Admiral GRIFFIN. Yes, sir. That is the case with the preceding item of maintenance and operation of the Coast Signal Service, which is really our radio appropriation; it covers all our radio work.

Mr. KELLEY. Does yard craft mean tugs?

Admiral GRIFFIN. Yes; tugs, self-propelled lighters, and everything of that nature; small boats that are used around the yards.

Mr. KELLEY. Then you repair everything in the nature of a vessel as far as the machinery is concerned, whether it is in the fleet or attached to a yard?

Admiral GRIFFIN. Yes, sir; we bear all that expense.

Mr. KELLEY. You would not charge any of the repairs to tugs or yard craft to new construction?

Admiral GRIFFIN. Oh, no; that is all under increase of the Navy.

Mr. KELLEY. Even though a yard were engaged wholly on new construction it would all come out of this repair fund?

Admiral GRIFFIN. Yes, sir; nothing is charged against increase of the Navy except the actual construction of new vessels.

Mr. KELLEY. I know; but you do charge the repair of tools that are used on new construction to new construction, do you not?

Admiral GRIFFIN. That would come in as a part of the shop expense; that is, charged to overhead.

Mr. KELLEY. It goes into the expense of the shop and would be paid out of the money appropriated for new construction?

Admiral GRIFFIN. Yes; indirectly.

Mr. KELLEY. Where do you draw the line?

Admiral GRIFFIN. Well, it is pretty hard to draw the line, because, as I stated in the beginning, these figures were prepared to adjust, as nearly as we could, the amount of the appropriations with these different items, and we do not know, and have no means of telling, just how much that specific thing will cost.

Mr. KELLEY. What I was getting it was: How do you tell what to put into overhead and carry into the cost of construction and what should be paid out of this fund?

Admiral GRIFFIN. All the small tool repairs, and things of that kind, are charged in the overhead, but in this we charge the replacement of a tool or large repairs to a machine tool in a yard.

Mr. KELLEY. Then the replacement of a piece of machinery inside a shop would come out of this fund?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And the repair of a piece of machinery inside of a shop would go into the overhead?

Admiral GRIFFIN. Depending on the size of it; it used to be limited to \$25, but I think under the new instruction that runs up to perhaps \$50.

Mr. KELLEY. It is only the repair and replacement of small tools that go into the new construction cost?

Admiral GRIFFIN. Yes.

Mr. KELLEY. And everything else connected with the shop, both inside and outside, comes out of this fund?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Whether you replace or repair a tool?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. I thought from what the Chief of the Bureau of Yards and Docks said that all the transportation of the yards was borne by him—the repairs and upkeep.

Admiral GRIFFIN. All transportation; yes, sir.

Mr. KELLEY. Would not these small craft come under the head of transportation?

Admiral GRIFFIN. He meant transportation on shore.

Mr. KELLEY. Trucks, automobiles, railroad track, and locomotives.

Admiral GRIFFIN. Horses and all those things.

Mr. KELLEY. But when you get down to the water the repair of machinery will come out of this appropriation?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Is the practice pretty uniform in the yards? Do they adhere very closely to that?

Admiral GRIFFIN. Yes, sir; I think so. I do not think there is any question about that.

Mr. KELLEY. Suppose you ran a little short on this appropriation, could you not repair more generously out of new construction and run it into the overhead?

Admiral GRIFFIN. Oh, no.

Mr. KELLEY. Why not?

Admiral GRIFFIN. It is not possible to do that; I do not think it is at all possible.

Mr. KELLEY. I am not saying you do it, but could not that be done?

Admiral GRIFFIN. No; because under the accounting instructions all of those things are prorated between the new work and the work chargeable to the working appropriations. The new work bears only its percentage of the cost, and it is distributed in accordance with the cost of the direct labor upon the different jobs.

Mr. KELLEY. That is to say, if in a shop a certain percentage of the direct labor was on the hull and a certain percentage on the machinery, you would divide the expense of repair and maintenance of your small tools within the shop on that basis—that is, between you and Admiral Taylor?

Admiral GRIFFIN. Yes. Suppose the repairs at a yard on vessels in commission amounted to \$3,000,000 and on new construction to \$2,000,000; the new construction would bear two-fifths of the overhead cost on its repairs of tools and the ship repairs would bear three-fifths of that cost; it is divided absolutely in proportion to the direct labor expended in the different yards.

Mr. KELLEY. What I was getting at was this: Suppose you and Admiral Taylor were using shops together, as I suppose you often do.

Admiral GRIFFIN. Very frequently.

Mr. KELLEY. How could you tell what tools should be repaired out of this appropriation or what should go into the overhead?

Admiral GRIFFIN. Well, any new tools will come out of this appropriation absolutely, because we have an agreement that the Bureau of Engineering will look out for the tool equipment of the shops of the machinery division and the Bureau of Construction and Repair for the tool equipment of the hull division.

Mr. KELLEY. So that any tools that needed to be purchased because of the work of your department would be paid for by you and any tools that needed to be purchased on account of hull construction would be paid for by Admiral Taylor?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Out of his fund which corresponds with this?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Which one of these items carries an appropriation for the purchase of tools?

Admiral GRIFFIN. This \$1,350,000, preservation of machinery, tools, appliances, etc.

Mr. KELLEY. Of course, that is based on past experience, rather than on any survey of just what tools you will need?

Admiral GRIFFIN. Yes, sir. We do not contemplate the purchase of many tools, because the shops are pretty well equipped. We have been utilizing tools bought during the war and taken from plants which he had financed during the war.

**PURCHASE, INSTALLATION, REPAIR, AND PRESERVATION OF MACHINERY,
TOOLS, AND APPLIANCES.**

PAY OF CLASSIFIED FORCE UNDER BUREAU.

Mr. KELLEY. The next clause is "Purchase, installation, repair, and preservation of machinery, tools, and appliances in navy yards and stations, pay of classified force under the bureau."

Admiral GRIFFIN. That is \$2,500,000.

Mr. KELLEY. The other was \$1,350,000?

Admiral GRIFFIN. We will make that \$1,250,000.

Mr. KELLEY. The pay of the classified force is also reduced.

Admiral GRIFFIN. No, sir; we can not reduce that.

Mr. KELLEY. Why can not that come down some this year?

Admiral GRIFFIN. Because we are right up to the limit now, and the increase that was made last fall in the pay of the classified force hit that item very hard, because the increases were large.

Mr. KELLEY. That was made by the department?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Increasing the pay of—

Admiral GRIFFIN (interposing). The classified force and also the industrial force in the yards, the industrial force receiving an increase of 5 per cent and the classified force an increase of about 20 per cent, on the average.

Mr. KELLEY. Were draftsmen included in that increase?

Admiral GRIFFIN. Yes, sir; they are also paid from that, and they were increased.

Mr. KELLEY. The classified force would include bookkeepers, clerks, stenographers, and draftsmen?

Admiral GRIFFIN. Messengers and the technical employees.

Mr. KELLEY. About how large a force do you carry?

Admiral GRIFFIN. In the yards?

Mr. KELLEY. All told, and paid out of this fund.

Admiral GRIFFIN. I do not know how many there are.

Mr. KELLEY. You used to get \$650,000 before the war, and this would be about four times what you had before the war. Of course, you are probably doing more work and there would be twice as many men involved.

Admiral GRIFFIN. If you will take the percentage we pay for that service and compare it with any other technical bureau, you will find that our percentage is very much lower.

Mr. KELLEY. The percentage as compared with the amount of work you do?

Mr. GRIFFIN. Yes, sir. Take last year: Of the \$30,000,000 we had \$2,500,000, and that is 8½ per cent; if you will compare that with some of the other technical bureaus you will find that no technical bureau has such a small percentage as that.

Mr. KELLEY. What would that run, do you suppose, in a private shipbuilding plant?

Admiral GRIFFIN. From our experience with them they run very much higher.

Mr. KELLEY. They pay larger salaries?

Admiral GRIFFIN. Well, all of them pay this Macey scale now; all that we are dealing with.

Mr. KELLEY. The increase you speak of is called the Macey award?

Admiral GRIFFIN. No; it was the increase that was made in September or October of last year, an increase of 5 per cent to the industrial employees and a scaled increase for the clerical force, Subsequently the other employees were taken in.

Mr. KELLEY. You could probably write into the hearing about the number?

Admiral GRIFFIN. I think so; yes, sir. Of course, that also takes in our inspection force throughout the country inspecting material for new ships and for our current business.

NOTE.—The total number, as of June 30, 1920, is 1,333.

Mr. KELLEY. Do you have an officer at the headquarters of the naval districts?

Admiral GRIFFIN. No, sir.

Mr. KELLEY. Do you have a bureau there at all?

Admiral GRIFFIN. No, sir. We administer our business there through the navy yard.

Mr. KELLEY. You do not go through the naval district organizations at all?

Admiral GRIFFIN. No, sir.

Mr. KELLEY. What bureaus do go through the naval district organizations?

Admiral GRIFFIN. I do not know, unless, perhaps, Navigation and Operations. Of course, Navigation may have a good deal to do on account of the enlisted personnel.

Mr. KELLEY. Do not these naval districts have control of vessels?

Admiral GRIFFIN. They have a certain number of small vessels attached, but we make an allotment to the yards every month to cover them.

Mr. KELLEY. You do not have any inspectors or officers in any way attached to the naval district organizations?

Admiral GRIFFIN. No, sir; but we pay for certain employees there that are doing work on the ships, a few of them.

Mr. KELLEY. How does it help your bureau to have the naval district organizations?

Admiral GRIFFIN. Well, I do not know.

Mr. KELLEY. Suppose you did not have the naval district organizations, would there not be some clerks that could be dropped, so far as you are concerned?

Admiral GRIFFIN. I really do not know what their organization is; I only know there is a district organization, but just what it is I do not know, except that we have to make a monthly allotment to cover men who are employed on the small boats they have.

Mr. KELLEY. But you do not know just why they are there?

Admiral GRIFFIN. I suppose it is to relieve the congestion that otherwise would prevail at the navy yards.

Mr. KELLEY. Is that the only reason you know of why you should contribute toward the employment of any clerks in the naval district organizations? They do not help you in any way?

Admiral GRIFFIN. Not directly.

Mr. KELLEY. Well, do they indirectly?

Admiral GRIFFIN. Well, it relieves the yard of that part of the work, and we would have to do it anyhow, if those boats were at the yard.

Mr. KELLEY. Still, if it were a matter of inspection, the inspectors you have at the yards could take care of it?

Admiral GRIFFIN. Oh, yes, sir.

Mr. KELLEY. If it were a matter of a little additional bookkeeping, the bookkeepers at the yards could do that work without any trouble, and if it were a matter of watchmen, the watchmen who are there could watch a few more boats just as well as not.

Admiral GRIFFIN. I think you will find at a yard like New York that there would be a great deal of congestion with all these small craft there.

Mr. KELLEY. You do not really know of any useful purpose that these district organizations serve so far as the Bureau of Steam Engineering is concerned?

Admiral GRIFFIN. I do not think of any right now, sir.

Mr. KELLEY. But they do occasion some expense to you? You have to make an allotment to them every month?

Admiral GRIFFIN. Yes, sir; a small one; it is not much.

INCIDENTAL EXPENSES FOR NAVAL VESSELS, NAVY YARDS, INSPECTORS' OFFICES, ETC.

Mr. KELLEY. The next clause is "incidental expenses for naval vessels, navy yards and stations, inspectors' offices, the engineering experiment station, such as photographing, technical books, and periodicals, stationery, and instruments."

Admiral GRIFFIN. We will take the same percentage off there, and it will be \$1,080,000.

Mr. KELLEY. What is that mostly used for?

Admiral GRIFFIN. Well, it is for anything that is not classified in there; we buy indicators, gauges, and things of that kind.

Mr. KELLEY. You probably could buy most anything? Could you buy tools under that?

Admiral GRIFFIN. Oh, no. You see, everything here is listed under the appropriation "engineering," and is administered accordingly.

Mr. KELLEY. That seems quite a large incidental expense. Of course, it is divided among all the navy yards and stations of the country, is it not, and you make an allotment out of that?

Admiral GRIFFIN. No; we do not make a specific allotment for this purpose. We allot to the yards every month a certain amount of money for labor and a certain amount for material for work on ships. Other expenditures are covered by requisitions which must be approved by the bureau before an expenditure can be made.

Mr. KELLEY. In your bookkeeping you do not attempt to follow this?

Admiral GRIFFIN. We can not; we do not keep any books at all; we only have one clerk who keeps a running account of our expenses.

Mr. KELLEY. And all of your accounts are kept in the Bureau of Supplies and Accounts?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. So that all the bookkeeping is in one place?

Admiral KELLEY. Yes, sir; it is done there.

Mr. KELLEY. You just estimate that about what amount will be used for incidental expenses that are not covered anywhere else?

Admiral GRIFFIN. Not classified there.

Mr. KELLEY. In all the yards and stations?

Admiral GRIFFIN. Yes, sir.

INSTRUMENTS AND APPARATUS, SUPPLIES, ETC., FOR RESEARCH IN RADIO-TELEGRAPHY.

Mr. KELLEY. The next clause is "instruments and apparatus, supplies, and technical books and periodicals necessary to carry on experimental and research work in radiotelegraphy at the Naval Radio Laboratory." That sounds like the previous clause.

Admiral GRIFFIN. This is a special thing. This is for the Naval Radio Laboratory, \$5,000, and that will have to stand.

Mr. KELLEY. That is a small amount?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Where is the Naval Radio Laboratory?

Admiral GRIFFIN. At the Bureau of Standards.

Mr. KELLEY. Do you purchase the necessary apparatus over there?

Admiral GRIFFIN. For our use; and we utilize, of course, what they have. There are three agencies that operate in the radio laboratory out there, working in conjunction, the Army, the Navy, and the Bureau of Standards; there is very close cooperation between the three, so as not to be duplicating work.

Mr. KELLEY. And that would make a total of—

Admiral GRIFFIN (interposing). It ought to be \$30,625,000, but it is not quite that. However, it is near enough.

Mr. KELLEY. It is \$30,591,000?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Taking the matter up by classes of vessels to which it shall be applied, I assume that you repair the engines and ma-

chninery on the same vessels that are carried for hull repair under Admiral Taylor's division?

Admiral GRIFFIN. The same; yes, sir.

Mr. KELLEY. I wish you would put in the record the number of each type of vessel and that will answer. We went into that with Admiral Taylor quite fully yesterday, and I do not suppose it is necessary to go into it with you unless there is some extraordinary item.

Admiral GRIFFIN. You want an itemized account of that?

Mr. KELLEY. Just put in a statement showing the number of dreadnaughts that you intend to repair and the cost, and following that each other type of vessel and the cost, showing the disposition of this fund as far as ships go.

Admiral GRIFFIN. Very well.

Original estimate.

[Made on the basis of 143,000 personnel.]

Type.	In commission.	Reduced commission or reserve.	Out of commission.
Dreadnaughts.....	19	\$2,850,000	3
Scouts.....	13	975,000	.....
Cruisers.....	2	170,000	.....
Destroyers.....	144	5,040,000	154
Submarines.....	131	3,275,000	8
Tenders.....	13	585,000	.....
Shore bases, eagles, etc.....	7	21,000	40
Repair ships.....	3	135,000	.....
Hospital ships.....	2	90,000	2
Supply ships.....	6	270,000	.....
Target and radio.....	3	45,000	.....
Aircraft ships.....	3	120,000	.....
Maine layers.....	2	90,000	.....
Mine sweeping and seagoing tugs.....	47	470,000	6
Colliers.....	12	480,000	.....
Oilers.....	14	490,000	.....
Transports.....	13	520,000	.....
Ammunition.....	2	40,000	.....
Flagships.....	3	210,000	.....
Patrol.....	8	320,000	.....
Do.....	9	135,000	.....
Survey.....	4	40,000	.....
Yachts.....	6	60,000	.....
Seagoing tugs.....	7	70,000	30
Miscellaneous.....	.....	.....	35
Subchasers.....	.....	.....	60
Tugs, harbor.....	.....	.....	60
Monitors.....	.....	.....	30,000
Total.....	16,491,000	1,233,000	5
			5,000
			254,000

Total for ships, \$17,978,000.

The reduction for the additional ships placed out of commission or in reserve on account of the reduction in personnel to 100,000 amounts to \$2,487,000, and other reductions indirectly connected with ships but not included in the original estimate amount to \$558,000, making a total reduction of \$3,045,000 from the total estimate of \$33,670,000.

Mr. KELLEY. What other repairs are to be borne?

Admiral GRIFFIN. They are all covered there, sir.

Mr. KELLEY. That makes a total of something over \$30,000,000 for the repair of the engines in the ships which the Chief of Operations has advised you would be kept in commission next year?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And that includes the expense of keeping those that are not in commission in repair?

Admiral GRIFFIN. Yes, sir; those in reserve and those out of commission.

Mr. KELLEY. In other words, it includes the care and repair of machinery of all the vessels of the Navy either in active commission, in reduced commission, or out of commission?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And the total amount is \$30,500,000, in round numbers?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. About how will this \$30,000,000 be divided as between labor and material?

Admiral GRIFFIN. It would be about 60 per cent for labor and 40 per cent for material, including in material everything that we purchase.

Mr. KELLEY. About how is your stock carried in the Bureau of Supplies and Accounts, have you quite a surplus?

Admiral GRIFFIN. I am sorry to say we have a great deal of stock on hand at war prices.

Mr. KELLEY. If you could buy that in the market you could probably save how much?

Admiral GRIFFIN. It is very hard to say as a general statement, because while some things have dropped in price considerably others have not. Copper has dropped, of course, but I understand we have a big supply of copper.

Mr. KELLEY. Taking it on the average—and not holding you to it strictly, because I know it would have to be inventoried and a close comparison made with prices—what would you say, generally speaking, as to the material you would need to use; that is, the difference between the price as carried on the books and the current price or the price you would likely have to pay in the market after next July?

Admiral GRIFFIN. Well, perhaps between 10 and 15 per cent.

Mr. KELLEY. And about what proportion of the material you will need do you suppose you have on hand?

Admiral GRIFFIN. I really do not know.

Mr. KELLEY. We would have to get that from the Bureau of Supplies and Accounts?

Admiral GRIFFIN. Yes; it would be a long and tedious operation to get that information.

Mr. KELLEY. They probably have that pretty well inventoried, showing the nature of the material required by your bureau and by the other bureaus.

Admiral GRIFFIN. I doubt whether they would have that, but they have the money value of the material.

Mr. KELLEY. But they have an inventory of that, have they not?

Admiral GRIFFIN. I do not know; they may have.

Mr. KELLEY. If we should permit you, through appropriate legislation, to buy from the Bureau of Supplies and Accounts at current prices, then the proper deduction should be made from this item?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. How much of an adjustment do you think we could safely make on the labor proposition as compared with rates now and next July?

Admiral GRIFFIN. That is something I do not know and nobody can tell. The adjustments have always been upward.

SHIPPING BULLETIN.

Mr. KELLEY. You have been paying the expenses of the Shipping Bulletin?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. How much has that cost you?

Admiral GRIFFIN. It costs about \$125,000 a year.

Mr. AYRES. What is realized from the sale of that bulletin?

Admiral GRIFFIN. This thing was wished on us last year, and that is a rather embarrassing question. Based on the returns up to the 1st of December, the number of copies that were issued at 50 cents a copy amounted to less than \$60,000.

Mr. AYRES. So the loss to the Government is about \$65,000?

Admiral GRIFFIN. Yes; about one-half. The cost of the bulletin, however, has been increased in the last day or two to \$1 a copy instead of 50 cents in order to try to meet the cost of production.

Mr. AYRES. That would probably meet the cost of production.

Admiral GRIFFIN. Unless they lose subscribers.

Mr. KELLEY. This \$125,000 does not include the cable, telegraph, and telephone bill, does it?

Admiral GRIFFIN. No.

Mr. KELLEY. Do you know how much of the cable, telegraph, and telephone bill of the Navy is chargeable to this item?

Admiral GRIFFIN. I have no idea.

Mr. KELLEY. As you know, the cable, telegraph, and telephone bill of the Navy is something enormous, something like \$1,000,000 a year, and I was wondering whether, in gathering this information, an enormous amount of cabling was required.

Admiral GRIFFIN. That is not included in this amount.

Mr. KELLEY. This just takes care of the cost of the paper, the printing, the clerks, and the rent of the building where it is being prepared?

Admiral GRIFFIN. Yes, sir.

Mr. FRENCH. Why should the Government maintain this agency?

Admiral GRIFFIN. I really do not know, except that the shipping interests are very anxious that it shall be maintained. About a week or 10 days ago the Secretary issued an order to discontinue it and stated it would be discontinued on the 15th of this month, but there was such a storm of protest from the shipping interests in New York that he decided to continue it for a while. I believe representations were also made to Senator Smoot, and I believe, although I do not know, that Senator Smoot acquiesced in the continuance of it.

Mr. KELLEY. Why should Steam Engineering be charged with the expense of it?

Admiral GRIFFIN. As I say, it was wished on us in the closing days of the session; it was put on the deficiency bill in the Senate.

Mr. KELLEY. If it is going to be a Government publication, should it not be prepared by the Department of Commerce?

Admiral GRIFFIN. I doubt it.

Mr. KELLEY. Is this a daily bulletin?

Admiral GRIFFIN. A daily bulletin.

Mr. FRENCH. Why should not the shipping interests pay a larger fee for it—a fee that would make it self-sustaining?

Admiral GRIFFIN. The price has been doubled in the last two days so as to try to make it self-sustaining.

Mr. FRENCH. What is it—\$1 a month?

Admiral GRIFFIN. No; it is \$1 a copy.

Mr. KELLEY. What provision is made for this by permanent law?

Admiral GRIFFIN. The only law is that contained in the last deficiency bill.

Mr. KELLEY. The paragraph in that bill reads as follows:

The Secretary of the Navy is authorized to cause to be prepared in the Office of Communications, Navy Department, a publication known as the Shipping Bulletin, and to publish and furnish the same to the maritime interests of the United States and other interested parties, at the cost of collecting and publishing the information, including the cost of printing and paper and other necessary expenses. The expenses of such bulletin shall be paid from the appropriation "Engineering," Bureau of Steam Engineering, fiscal year 1921. The money received from the sale of such publication shall be covered into the Treasury as miscellaneous receipts.

The act which creates this bulletin provides how it shall be paid for only the one year.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. So, what authority would you have to pay for it after this year?

Admiral GRIFFIN. None; unless that were continued.

Mr. KELLEY. This comes out of this item of repair of ships.

Admiral GRIFFIN. That is under these incidental expenses.

Mr. KELLEY. Are the clerks paid for out of that item, too?

Admiral GRIFFIN. Yes; everything.

Mr. KELLEY. But you have not paid any telegraph bills?

Admiral GRIFFIN. No.

Mr. KELLEY. Where do they get the money with which to pay the telegraph bills?

Admiral GRIFFIN. I do not know; I have not inquired about that.

Mr. KELLEY. As long as they have not bothered you with it, you have not borrowed any trouble?

Admiral GRIFFIN. No, sir.

Mr. KELLEY. It undoubtedly comes out of pay miscellaneous, where all of the other telegraph bills come.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Does it not take a tremendous amount of cabling, wireless telegraphy, and so on to gather this information?

Admiral GRIFFIN. I do not know how much they use the cable. As a matter for personal information, about a week ago I overhauled two copies of the bulletin for successive days to see the number of changes, and there were about 400 changes during the days I investigated. So it is quite a job.

Mr. AYRES. What department gathers the information?

Admiral GRIFFIN. It is all sent to the office of the Shipping Bulletin in New York, which has an office maintained under the Director of Naval Communications.

Mr. AYRES. Sent by whom?

Admiral GRIFFIN. I do not know whether they have agents abroad or not, or whether the ships themselves on arrival in a port or on departure from a port cable their change of position.

Mr. KELLEY. How much of an establishment is this in New York that gathers this information?

Admiral GRIFFIN. Well, it is an establishment of about—

Mr. KELLEY (interposing). How many clerks?

Admiral GRIFFIN. I suppose there are about 30 clerks and about 10 or 12 printers. That is just a rough estimate.

Mr. KELLEY. Forty or 50 people there?

Admiral GRIFFIN. About that.

Mr. KELLEY. Do you pay the rent of the building?

Admiral GRIFFIN. No; I think that comes out of pay, miscellaneous.

Mr. KELLEY. All you pay for is the clerk hire in the office, for the paper and for the printing?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And not the rent?

Admiral GRIFFIN. I do not think we do.

Mr. KELLEY. And you pay nothing in the way of telegraph, telephone, or cable bills?

Admiral GRIFFIN. No, sir.

Mr. KELLEY. I presume we could get all the details from the Naval Communications Office?

Admiral GRIFFIN. Admiral Bullard; yes.

RENEWAL OF SUBMARINE ENGINES.

Mr. KELLEY. For the renewal of engines of submarines *L-1*, *L-2*, *L-3*, *L-4*, *L-9*, *L-10*, *L-11*, and *M-1* you are asking \$2,000,000. Why do you need a special authorization for the renewal of those engines?

Admiral GRIFFIN. Because we can not stand it out of our current appropriation.

Mr. KELLEY. Will the renewal of these engines require more than 20 per cent of the value of the submarines?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Then that will be a matter of legislation which you will have to take up with the Naval Affairs Committee.

How much are you asking for each one of the dreadnaughts for your bureau this year?

Admiral GRIFFIN. For the repair?

Mr. KELLEY. Yes.

Admiral GRIFFIN. The average is \$150,000.

Mr. KELLEY. It is one-half of the \$300,000 you are allowed to expend?

Admiral GRIFFIN. Yes, sir. But the \$300,000 in these days will not cover the cost of repairing dreadnaughts.

Mr. KELLEY. Where are you going to get the rest?

Admiral GRIFFIN. You will have to increase the limitation or we will have everything tied up. You have not increased the limitation with the increase in size and power of the ships.

Mr. KELLEY. Have we increased that by law?

Admiral GRIFFIN. No; but you have made appropriations for ships of the highest power and speed attainable, etc., under the appropriation.

Mr. KELLEY. But does not this law control:

The statutory limit of \$200,000 for repairs and changes to capital ships of the Navy, as provided in the act making appropriations for the naval service for the fiscal year ending June 30, 1908, approved March 2, 1907, is hereby changed to \$300,000.

That is in the act of August 29, 1916. I understand you to say the \$300,000 will not be sufficient?

Admiral GRIFFIN. Not at all.

Mr. KELLEY. You are not estimating for more than \$300,000 nor is Admiral Taylor?

Admiral GRIFFIN. I do not know what he is estimating for, but you must remember that this is the average; on some ships the cost would not be anything like that, but we have now several battleships laid up on which the cost runs up to \$400,000 or \$500,000.

Mr. KELLEY. You ask for \$150,000.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And Admiral Taylor asked for \$250,000, which would make \$400,000.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. That is \$100,000 more than you are entitled to have?

Admiral GRIFFIN. Well, that is the average.

Mr. KELLEY. He is asking that for all the 17 dreadnaughts to be kept in commission.

Admiral GRIFFIN. Well, as I say, the limit of \$300,000 is not enough or anything like enough.

REPAIR OF DREADNAUGHTS.

Mr. KELLEY. For the 17 dreadnaughts that you are going to repair you are asking \$150,000?

Admiral GRIFFIN. Yes, sir; on the average.

Mr. KELLEY. And for the same dreadnaughts he is asking for an average of \$250,000, and that makes \$400,000, on the average, for the 17 ships, or \$6,800,000?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Whereas all that you would be allowed to expend would be \$5,100,000 without other legislation?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Why should we appropriate that \$1,700,000 extra?

Admiral GRIFFIN. Well, if you do not—

Mr. KELLEY (interposing). You could not spend it if we did.

Admiral GRIFFIN. But we are asking the Naval Affairs Committee to change that limit.

Mr. KELLEY. You have already taken that up with them, have you?

Admiral GRIFFIN. We have not been before them, Admiral Taylor and I, but we intend to appear before them. The Secretary is to write a letter asking that that limitation be increased.

Mr. KELLEY. Until that is done, the \$6,800,000 which you ask for would have to stand at \$5,100,000?

Admiral GRIFFIN. Not unless the expenditure under Construction and Repair exceeded \$150,000.

Mr. KELLEY. Are you asking to have that 20 per cent law changed in any way for everything below the dreadnaughts?

Admiral GRIFFIN. No; because this limitation would take care of the big ships. There is also a clause requiring us to submit annually to Congress a list of ships the repair of which will exceed 20 per cent of the cost, or exceed that limitation.

Mr. KELLEY. When you do submit that list are you authorized to go and get repairs in excess of that?

Admiral GRIFFIN. Congress has never declined to do it.

Mr. KELLEY. It is a question of legislation every time?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And an appropriation?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Then, in case you wanted to increase the amount above the statutory amount, \$300,000, is it your opinion that it can be done by entering into the appropriation the names of the ships upon which the sums of \$300,000 are to be expended?

Admiral GRIFFIN. What we contemplate doing is to have that limitation changed to \$500,000 or \$600,000.

Mr. KELLEY. You have figured that this was a matter for naval legislation?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. And that unless legislation were had, the \$5,100,000 would be all that we could appropriate for 17 ships—dreadnaughts?

Admiral GRIFFIN. I have not taken that view of it at all.

Mr. KELLEY. Of course, the bureau chiefs probably do not quite fully realize the full effect of this. In procedure in Congress here we have the Appropriations Committee appropriate only within the existing law and the Legislative Committee do everything else.

Admiral GRIFFIN. We intend to take that up with the Naval Committee.

Mr. KELLEY. Are there any other sums asked for by you for the cruisers, destroyers, submarines, or any other ships in excess of 20 per cent?

Admiral GRIFFIN. No, sir; I do not think any of them run over that limit. I think we have never had to ask for it on a destroyer.

Mr. KELLEY. This matter of renewal of engines of submarines you will take up with the Naval Committee?

Admiral GRIFFIN. Yes, sir.

ENGINEERING AND EXPERIMENT STATION, NAVAL ACADEMY.

Mr. KELLEY. Engineering and experiment station at the Naval Academy last year, \$225,000. You ask for the same this year?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. This is for the general maintenance?

Admiral GRIFFIN. Most of that is spent in salaries, wages of employees, etc.—a great part of it.

Mr. KELLEY. I think it would be well to put a statement in the hearings which would give as much information as is at hand as to just what is asked for in the way of salaries.

Admiral GRIFFIN. If I can get the estimates, I will see what I can do. I know what we pay for salaries, and all that.

Mr. KELLEY. Testing apparatus. Does the repair come out of this?

Admiral GRIFFIN. All their expenses.

Mr. KELLEY. Repairs and preservation of buildings.

Admiral GRIFFIN. Preservation of buildings, I think, is covered in yards and docks.

Mr. KELLEY. But the same rules would apply as to this as to any other naval station?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. A certain portion of it is borne by Yards and Docks and the rest of it is under Admiral Taylor?

Admiral GRIFFIN. No, sir; it all comes in this appropriation.

Mr. KELLEY. Out of the special appropriation of \$225,000?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. I remember a few years ago we authorized a general experimental laboratory for the Navy.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. What is the situation as to that now?

Admiral GRIFFIN. I think a contract has been let for some of the buildings.

Mr. KELLEY. Where is that going to be located?

Admiral GRIFFIN. Down on the Potomac River at the Bellevue magazine property.

Mr. KELLEY. How far down is that?

Admiral GRIFFIN. Six or eight miles, almost opposite Alexandria.

Mr. KELLEY. On the Maryland side?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. As I recollect, we have an appropriation something like \$1,000,000 for the buildings?

Admiral GRIFFIN. I think one and one-half millions.

Mr. KELLEY. For new buildings and equipment?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Is it the intention to keep this experimental station at Annapolis going after you get that?

Admiral GRIFFIN. I do not know that. I imagine that will be kept for purely experimental work unless the facilities down here would permit of doing the experimental as well as research work. If it did, of course, Annapolis would have to be closed.

Mr. KELLEY. Was it more advantageous to have this experimental laboratory near the department than at the school?

Admiral GRIFFIN. We thought so. Having it in close touch with the department would be very much more advantageous than having it in some place where a day would have to be spent in going and coming.

Mr. KELLEY. Who controls this laboratory?

Admiral GRIFFIN. The Secretary's Office.

Mr. KELLEY. Who.

Admiral GRIFFIN. Admiral Smith has supervision. You mean at Annapolis?

Mr. KELLEY. Yes.

Admiral GRIFFIN. The Bureau of Steam Engineering.

Mr. KELLEY. Is it in any way connected with the Naval Academy?

Admiral GRIFFIN. Not at all except that the correspondence is through the Superintendent of the Academy.

Mr. KELLEY. Then he has general supervision over this?

Admiral GRIFFIN. Not over the operation of it. He does not concern himself over the activities there.

Mr. KELLEY. Who employs the people who work there?

Admiral GRIFFIN. The head of the experiment station.

Mr. KELLEY. It is something outside of the needs of the school entirely?

Admiral GRIFFIN. Yes, sir; but certain papers are forwarded through him, so that he will be advised of things going on in his immediate district.

Mr. KELLEY. Is it on his grounds there?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. In one of his buildings, or separate?

Admiral GRIFFIN. Across the river near the target range, the midshipmen's target range, which is over there.

Mr. KELLEY. It is part of the buildings of the Naval Academy?

Admiral GRIFFIN. It was originally a portion of the Ordnance Proving Grounds.

INVESTIGATION OF FUEL OIL AND OTHER FUEL.

Mr. KELLEY. On page 8, there is an item: "Investigation of fuel oil and other fuel." This year you add \$30,000, and it is proposed to add \$30,000 more this year. Is it necessary to keep that investigation going every year to make a permanent thing out of it?

Admiral GRIFFIN. I think that ought to be continued because of the passage of the leasing bill last year, which might make necessary that we drill a well in No. 2 Reserve.

Mr. KELLEY. You could not drill out of that fund?

Admiral GRIFFIN. \$20,000 would not be enough.

Mr. KELLEY. This fund is for "investigation of fuel oil, gasoline, and other fuel adapted to naval requirements, including the question of supply and storage and the availability economically and otherwise of such supply as may be allowed by the naval reserves on the public domain." I thought this was a laboratory fund.

Admiral GRIFFIN. No. You will note that it refers to the availability of the supply of oil from the naval reserve on the public domain.

Mr. KELLEY. And such supplies as may be allowed by the naval reserves on the public domain and for such other expenses for transportation, hire of vehicles, on the naval petroleum reserve as the Navy may deem proper?

Admiral GRIFFIN. We have to maintain there very small patrols to see that no unauthorized wells are drilled on those lands, and to keep up with that this is a very small item.

Mr. KELLEY. Nearly all of this fund is used for employment of civilian experts and assistants and watchmen, and things of that sort?

Admiral GRIFFIN. I do not think that they have ever expended more than one-half of it. It was originally \$60,000. The expenses have run about between \$20,000 to \$30,000.

Mr. KELLEY. But its chief use is for preserving this?

Admiral GRIFFIN. It is really of great use to the Navy reserves.

Mr. KELLEY. In the naval reserves oil fields?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Only very little of that is used for laboratory work?

Admiral GRIFFIN. Very little.

Mr. KELLEY. None of it for extending the oil-testing plant at Philadelphia?

Admiral GRIFFIN. No.

Mr. KELLEY. Have you any other items in this bill that you are especially interested in?

Admiral GRIFFIN. Nothing else.

WEDNESDAY, JANUARY 19, 1921.

INCREASE OF THE NAVY.

STATEMENTS OF REAR ADMIRAL D. W. TAYLOR, CHIEF OF BUREAU OF CONSTRUCTION AND REPAIR, AND REAR ADMIRAL C. B. McVAY, CHIEF OF BUREAU OF ORDNANCE, ACCCOMPANIED BY CAPT. C. C. BLOCH, ASSISTANT CHIEF OF BUREAU OF ORDNANCE.

INCREASE OF THE NAVY, CONSTRUCTION, AND MACHINERY.

Mr. KELLEY. We have with us this afternoon Admiral Taylor, Chief of the Bureau of Construction and Repair; Admiral Griffin, Chief of the Bureau of Steam Engineering; and Admiral McVay, Chief of the Bureau of Ordnance, upon the question of increase of the Navy, page 120 of this draft of the bill.

We will take up construction first. I would like to get in the record a little history of the fund of the 1916 program from the standpoint of appropriations and costs. Can you give me the total estimated cost on the present basis of the estimates of the 3-year program, exclusive of the 12 destroyers, orders for which have not yet been placed?

Admiral TAYLOR. That is estimated at \$643,950,000 under the appropriation, increase of the Navy, including torpedo boats.

Mr. KELLEY. That includes construction and repair alone to the hull and machinery?

Admiral TAYLOR. Hull and machinery.

Mr. KELLEY. For all the 1916 program except the 12 destroyers?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. That is the total estimated cost. How much was spent on that program up to last July 1, 1920?

Admiral TAYLOR. Out of this appropriation, \$176,470,000.

Mr. KELLEY. That leaves a balance as of July 1, 1920, of how much?

Admiral TAYLOR. \$467,480 from last July. The amount available already appropriated last July was \$104,700,000, leaving the amount necessary to appropriate for the building of vessels \$352,180,000, a little over half. I may say those figures include everything except 12 destroyers. There are six fleet submarines and one transport for which orders have not yet been placed amounting to about \$30,000,000 on the basis of the bids received. The bids were about \$4,000,000 each in round numbers.

Mr. KELLEY. If those were not to be finished, would that take out \$30,000,000?

Admiral TAYLOR. Yes, sir; leaving \$322,000,000 as the balance to be appropriated, in round numbers.

Mr. KELLEY. That is almost exactly half of the estimated original value of it.

Admiral TAYLOR. A little over half. I think under the other appropriation, armor and armament, that they have spent over half.

Mr. KELLEY. That is of last July and the money appropriated for this year?

Admiral TAYLOR. Money available at this time.

Mr. KELLEY. So that really is the history of the construction on July 1, 1921?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. Now, how much of a balance do you estimate that you will have on hand July 1, 1921?

Admiral TAYLOR. Out of the appropriation increase of the Navy, construction and machinery, I figure in the neighborhood of \$15,000,000, but it depends on the rate of expenditures. We have the balance up to the end of November, 1920, and in those five months the annual expenditures had been at about the rate of \$6,500,000 a month. In July we spent \$6,000,000; in August, \$5,700,000. In the month of November the maximum expenditure was \$7,783,000.

Mr. KELLEY. That dropped off in December?

Admiral TAYLOR. We have not the December figures. It varies from month to month because the material comes in somewhat irregularly.

Admiral GRIFFIN. It is increasing now because of the slowing down of merchant work in shipyards.

Admiral TAYLOR. The original estimates for 1922 were made on the basis that during the fiscal year 1922 we would expend at the rate of \$10,000,000 a month, and for November it was about \$8,000,000; an average of \$10,000,000 a month.

Mr. KELLEY. I did not get the average expenditure that you stated.

Admiral TAYLOR. For the five months the expenditure was \$34,700,000, or a little under \$7,000,000 a month.

Mr. KELLEY. Probably it would be just as well to get Admiral Griffin's plans.

Admiral GRIFFIN. It is all in here, including the machinery as well.

Admiral TAYLOR. When we submitted our estimate I thought the balance would be a little less, but I think now it will be in the neighborhood of \$15,000,000.

Mr. KELLEY. If you allow at the rate of \$7,000,000 a month next year, that would make \$84,000,000 for the year, and taking out the \$15,000,000 would leave \$69,000,000. The \$69,000,000 would carry you along about the same rate that you have been going for the last five or six months?

Admiral TAYLOR. I have some figures here. You ask us to make revised estimates on the basis of \$100,000,000 and starting with the beginning of December?

Mr. KELLEY. Yes.

Admiral TAYLOR. Assuming that we had \$58,500,000 under construction and machinery, new money, on the 1st of next July—that is, regardless of what the balance is—our balance on the 1st of December would give an average expenditure for the 19 months, including the 12 months of next year and 7 months of this year remaining, \$6,750,000 per month, which is a reduction from the \$8,000,000 we have gotten up to now. I think there is no question that, considering the conditions in the shipyards, that they could readily spend \$10,000,000 a month, and anything under that would mean that the work would have to be slowed down badly beyond what they would handle normally.

This is a hard item to figure. We had trouble with the freight and coal situation last summer. That held us back very much. We had

to use all the influence of the Navy Department with the Interstate Commerce Commission to get steel shipped to some of the yards. Some of the shipyards had their own cars to ship the steel. That situation slowed us for a time. That has passed over now, if something else does not crop out. The steel is being delivered at a very satisfactory rate now.

Mr. KELLEY. What was the sum of money that you mentioned as being carried in this bill?

Admiral TAYLOR. I was mentioning a rough estimate on it, around \$58,500,000, including construction and machinery.

That is a little different from the figures we made last month, but that took into consideration the other appropriation of torpedo boats.

Mr. KELLEY. Then that would be the amount of increase for Navy construction and machinery where you had \$48,000,000 with your balance last year?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. You are asking now for \$58,500,000, with whatever balance you have this year?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. Was this figure reached as a sort of general agreement on the basis of \$100,000,000?

Admiral TAYLOR. Yes, sir. We have not exactly partitioned the arrangement on it, but it was the understanding, roughly, that if the original estimate had to be reduced to \$100,000,000, two-thirds of it would come from the "Increase of the Navy appropriation," controlled by Admiral Griffin and myself, and one-third of it from the Ordnance Department.

Admiral McVAY. My understanding was that if it was reduced to \$100,000,000, that the Ordnance would be reduced to \$37,000,000.

Mr. KELLEY. What would be reduced to \$37,000,000?

Admiral McVAY. The proportional reduction under the different bureaus. That is, to \$100,000,000. We figured it out, \$63,000,000 for the other two bureaus, and we figured \$37,000,000 would be our share.

Admiral TAYLOR. We figured \$56,000,000 reduction.

Admiral McVAY. That was figured on that basis, out of the \$37,000,000.

Capt. BLOCH. I do not think you have considered ammunition.

Mr. KELLEY. Probably we would take up the ammunition. Perhaps you are in shape so that your ammunition could be taken out entirely?

Capt. BLOCH. Our estimates were for \$65,000,000, one-third makes \$22,000,000, subtracting, and leaving \$43,000,000.

Mr. KELLEY. I was just getting at that, so that we can take it up with the Bureau of Ordnance. I just wanted to get a general idea.

Admiral TAYLOR. That was a proportional figure.

Mr. KELLEY. This item would be \$58,500,000?

Admiral TAYLOR. On that basis, Mr. Chairman, we get \$63,000,000 in the two appropriations, construction and machinery, torpedo boats.

INCREASE OF THE NAVY TORPEDO BOATS.

Mr. KELLEY. How much of the item is for torpedo-boat destroyers?

Admiral TAYLOR. The original estimate was \$18,000,000 and we had first figured to reduce that to about \$10,000,000, and, as you know, there has been some delay in connection with the S-boats. It is a little uncertain as to how much delay there will be. We had figured, in the original estimate that these six fleet submarines would be provided for, which has not been the case as yet. They cost \$4,000,000 apiece and we estimated there would have been a great deal of money spent on them by the end of 1922. Taking into account the delay in the S-boats and the fact that so far we have not started on the fleet submarines—I do not think Mr. Daniels is going to start them, and I do not know what the new administration may do—we figure that the delay will be somewhere from six to nine months; in other words, of that \$18,000,000, we will want between \$4,500,000 and \$9,000,000. There will be a much larger balance the first of the year than we originally figured on, and we think that with between \$4,500,000 and \$5,000,000 new money this appropriation would be on a par with the other appropriations. We could use twice that much. I am giving you the figures now reduced as we think best to fit that very case.

Mr. KELLEY. What balance will you have on the 1st of July under the head of torpedo boats?

Admiral TAYLOR. We will probably have a balance of between \$12,000,000 and \$13,000,000. We had estimated last September, that our balance would be in the neighborhood of \$3,000,000, because we estimated on the fleet submarines and early completion of S-boats.

Applying the same method to these submarines which we applied to the others and starting from the 1st of December, for the months of July to November, inclusive, we spent over \$10,000,000—\$2,000,000 per month on submarines. Adding to our December 1 balance of \$19,000,000, this figure of \$4,500,000 we would have a little over \$1,250,000 a month for the next 19 months, which is a material reduction. This monthly expenditure compares reasonably well with the figure of \$6,750,000 under construction and machinery.

Mr. KELLEY. If the new submarines will not be done until during the next year, how much would you have to have to finish them?

Admiral TAYLOR. Just assuming that they will not be begun?

Mr. KELLEY. Assuming they will not be begun.

Admiral TAYLOR. If they are begun and the work progresses we will be exceedingly short.

Mr. KELLEY. This \$4,500,000 will be needed to finish the submarines that are now under construction?

Admiral TAYLOR. To finish the S-boats and the other submarines, which will nearly all be finished in the next year.

Mr. KELLEY. Then, your total increase of Navy amounts to approximately \$63,000,000 on the basis of \$100,000,000?

Admiral TAYLOR. \$100,000,000, increase of the Navy.

Admiral GRIFFIN. I would like to say in regard to the same appropriation that we have outstanding contracts now for about \$40,000,000 chargeable against it for the electric machinery and about \$5,000,000 for comparatively small equipment, which will be delivered during the next fiscal year. A little more than one-half

of the machinery will be delivered during the year. The schedule of the electric companies provides for beginning delivery—

Mr. KELLEY (interposing). Are you speaking about torpedo boats?

Admiral GRIFFIN. No.

Mr. KELLEY. The whole program?

Admiral GRIFFIN. The big ships—battleships and battle cruisers. The contracts provide that they are to begin delivery of the motors and generators in October or November of this year and continue along at a certain rate, which would involve the delivery of just a little more than one-half of the equipment in the fiscal year, so that we have got to use from \$24,000,000 to \$25,000,000 for the payment of those contracts during the year. That will not leave very much for ship work.

Mr. KELLEY. Admiral Taylor is taking that into account?

Admiral TAYLOR. It is included there. That figure is not only the irreducible minimum, but we simply have got to have that figure, because you gave us \$100,000,000 to come down to. I do not think that any of us would recommend it from the point of view of carrying on the work to advantage. It will take a great deal of planning all the time to obviate absolute stopping and getting tied up with claims for damages.

Admiral GRIFFIN. I sounded one of the electric companies last week about slowing down, and they were very much averse to it, because they said it would disorganize their whole shop, and as that was the only big work they had if they let men go they would have to build up a new organization when business revived and big work came into the shop.

Mr. KELLEY. Of course these concerns naturally will look to you and will be glad to look to you to employ the entire force that in times of general prosperity would be employed otherwise and you would not really feel that you would be obliged to accommodate them under your contracts.

Admiral GRIFFIN. No; it is simply a question of whether there would be any claim for damages against us on account of the slowing down in the production of their shops.

Mr. KELLEY. They probably could not maintain a claim for damages. What they were trying to do was to have the Government keep their plant going.

Admiral GRIFFIN. It would be a pretty hard matter to prove that.

Admiral McVAY. The Bureau of Ordnance is at a disadvantage, particularly armor construction, because those plants have been made solely to attend to Government business and have been increased for that purpose, and it is quite different from a commercial business.

Admiral TAYLOR. The situation applies generally to shipyards, and they are going to be hungry in another year.

VESSELS IN COURSE OF CONSTRUCTION—LOSS IN CANCELLATION OF CONTRACTS.

Mr. KELLEY. I can readily see that they will seek the Government business.

We had better go into the question of degree in the completion of all these ships by classes and by individual ships, as far as the large

ones are concerned. Can you make suggestions of the situation, ship by ship, if cancellations were made?

Admiral TAYLOR. I can put them in the record for battleships and also for submarines. On the first page is the program for the *California*.

Mr. KELLEY. Starting with the *Colorado*, please put in a statement showing the degree of completion of each of the battleships and each of the battle cruisers and scout cruisers.

Admiral TAYLOR. Yes.

Percentages of degree of completion, Jan. 1, 1921.

	Hull.	Machinery.		Hull.	Machinery.
Battleships:					
<i>Colorado</i>	64.8	73.8	Battle cruisers—Continued.		
<i>Maryland</i>	90.0	91	<i>Ranger</i>	0.9	0.9
<i>Washington</i>	55.4	64.1	<i>Constitution</i>	1.8	.....
<i>West Virginia</i>	41.2	55	<i>United States</i>	1.8	.....
<i>South Dakota</i>	19.8	8.2	Scout cruisers:		
<i>Indiana</i>	14.9	4.9	<i>No. 4, Omaha</i>	84.4	62.2
<i>Montana</i>	15.9	.....	<i>No. 5, Milwaukee</i>	74.4	57
<i>North Carolina</i>	19.8	.....	<i>No. 6, Cincinnati</i>	54.4	53.5
<i>Iowa</i>	11.9	6	<i>No. 7, Raleigh</i>	35.6	25
<i>Massachusetts</i>.....	.7	1.6	<i>No. 8, Detroit</i>	34.7	25
Battle cruisers:			<i>No. 9, Richmond</i>	58	57
<i>Lexington</i>	5.1	2.4	<i>No. 10, Concord</i>	57	54
<i>Constellation</i>	3.6	8	<i>No. 11, Trenton</i>	38	42
<i>Saratoga</i>	11.3	2.5	<i>No. 12, Marblehead</i>	36	36
			<i>No. 13, Memphis</i>	28	33

Mr. KELLEY. Let us take some on this list and show definitely the completion; for instance, take the *Massachusetts*.

Admiral TAYLOR. The *Massachusetts*' keel has not been laid yet. That figure means a certain amount has been done. She is 7 per cent advanced.

Mr. KELLEY. What would happen in the way of losses if Congress should discontinue the *Massachusetts*?

Admiral TAYLOR. We have a contract for the *Massachusetts* upon the basis of the actual cost plus a fixed fee. We share in savings below a certain figure. I think the fixed fee is \$1,650,000. The machinery has been contracted for, I believe, and the armor has been contracted for, and there have been various contracts made for auxiliaries. The structural material has been ordered.

Mr. KELLEY. Were these contracts all awarded before the war?

Admiral TAYLOR. No, sir. Those ships were authorized, those last three ships, the battleships *Massachusetts*, *Iowa*, and the one just laid—

Mr. KELLEY (interposing). The *North Carolina*?

Admiral TAYLOR. They were not authorized to be proceeded with when the 1916 program was passed. You authorized 10 battleships in 1916, 4 of which were to be proceeded with at once, and the next year you authorized 3 more to be proceeded with, and in 1918 you authorized the last 3 to be proceeded with then.

Mr. KELLEY. Did Congress authorize that?

Admiral TAYLOR. Congress.

Mr. KELLEY. It took an authorization each time?

Admiral TAYLOR. Congress authorized first the whole of the 156 ships, and in each class certain numbers to be proceeded with at once,

and the next year they authorized the second third, roughly, to be proceeded with, and then in 1918, in July, they authorized the remainder to be proceeded with.

Mr. FRENCH. The *Indiana* and *Montana* are not as far along as the *North Carolina*.

Admiral TAYLOR. No; the *Montana* is being built at Mare Island yard, and we are building the *North Carolina* at the Norfolk yard with very good progress. We have photographs showing the condition of all of these ships.

Mr. KELLEY. Just leave those with the committee.

Admiral TAYLOR. And also showing what those three classes of ships will look like when completed, scouts and battleships, of the *North Carolina* class, and also the battle cruisers. There are two classes of battleships in there. The first four are the *Maryland*, *Colorado*, *Washington*, and *West Virginia*, and the last six are of the *North Carolina* class.

Mr. KELLEY. When was the contract placed for the *Iowa* and the *Massachusetts*?

Admiral TAYLOR. The *Iowa* order was placed October 27, 1919.

Mr. KELLEY. That was the *Iowa*?

Admiral TAYLOR. The *Massachusetts* was somewhat later. We found it more difficult to place the order for that. Her contract was dated November 15, 1919.

Mr. KELLEY. Do these percentages represent the degree of completion, considering the fabrication of the material?

Admiral TAYLOR. They consider the fabrication of the material. They really represent the amount which has been paid on the contract. When material is delivered in the yard we allow a certain amount for it, and when the material is fabricated and worked into the ships we allow an additional amount. Our percentages at best are not exact. We can not make exact percentages, but they are reasonably accurate. Machinery is a little further advanced than the *Massachusetts*, $1\frac{1}{2}$ per cent.

Mr. FRENCH. Then the real progress of the ship would be beyond what the figures would indicate, would it not? The shipyard carries something of the cost, you not having made a settlement?

Admiral TAYLOR. Yes; that is true. We get a monthly report from our inspectors in which we estimate the progress of the work. That is based primarily not on the amount which has been paid, but on the amount which is due. Sometimes there is a question about bills, and they are held up two or three months.

Mr. KELLEY. Suppose Congress should conclude to cancel this one, the *Massachusetts*, and you sent out word to everybody working for material for the *Massachusetts* to discontinue the work, what elements of loss would enter into that that you could calculate quite accurately now?

Admiral TAYLOR. It is a little difficult to calculate that quite accurately. We have had no experience on that line. I do not think there has ever been a ship ordered by Congress subsequently canceled.

Admiral GRIFFIN. Most of their orders have been placed for equipment.

Mr. KELLEY. It would go all the way back to the subcontractors and everybody.

Admiral GRIFFIN. Placed through orders which have been approved by the compensation board, and there would be claims of subcontractors all over the country.

Admiral McVAY. As a matter of fact, unless each bureau could make proper arrangements with the contractor, it would be taken out of our hands. It would either go to this compensation board or would go to the Court of Claims eventually.

Mr. KELLEY. Well, we had the same general situation in regard to cancellation and we had to go through it in the war. We have canceled lots of things that were partly finished.

Admiral TAYLOR. It would be a question of negotiation in each case down to the last detail.

Mr. KELLEY. Then, as a rough estimate, Admiral, although the *Massachusetts* is not very far along, considering the fact that the contracts have all been placed and subcontracts, too, for the hull and the machinery, if those were canceled and the *Massachusetts* not built, it would cost probably in the neighborhood of \$5,000,000 for the hull and machinery settlements?

Admiral GRIFFIN. I think so.

Mr. KELLEY. Admiral McVay, it would cost what in your opinion?

Admiral McVAY. \$2,000,000.

Mr. KELLEY. For armor and armament, making \$7,000,000?

Admiral McVAY. Yes.

Mr. KELLEY. To cancel the ship, to be paid in damages, and profits which the contractors would make, under the contracts that are outstanding?

Admiral McVAY. Yes, sir; I think that is a low estimate.

Mr. KELLEY. What is total armor and armament on one of these ships?

Admiral McVAY. \$14,600,000.

Mr. KELLEY. You are manufacturing the guns for these ships yourself?

Admiral McVAY. Some of them.

Mr. KELLEY. Could not you discontinue the manufacture of guns for the *Massachusetts* without any loss except for material?

Admiral McVAY. Except for forgings, if we did not happen to have forgings on hand for that particular ship. Here are the figures. For the 16-inch guns the total is \$4,200,000. We would save all of that. The turret mounts would cost \$1,500,000 as contracted for, and the stage of manufacture is such that we estimate we could save \$400,000 on that. On the 6-inch guns the total value is \$450,000. We would save that. The mounts which have been not ordered were valued at \$425,000. We would save \$425,000 on that. The torpedoes boat, \$384,000, are not ordered yet. We would save \$384,000 on that. The armor has been contracted for \$5,929,763, roughly, \$6,000,000; that would be a question of settlement.

Mr. KELLEY. If you could you would have them make armor for one of the battle cruisers in exchange for that, which would probably not cost you anything?

Capt. BLOCH. I would like to say in regard to the ship you spoke of, a number of ingots have been cast for that armor. Those ingots could not be used for other armor.

Mr. KELLEY. For no ship?

Capt. BLOCH. No, sir; because each ingot is of a size in proportion to the plate it is to be made for and we have different thicknesses, and you would have to provide a new ingot for different thicknesses and sizes of plates. So I think nearly every one of those ingots would have to be lost. Some of them would not be.

Admiral McVAY. We figured on that amount and we estimated that the saving on armor itself is problematical. On the small arms and equipment not yet ordered, \$18,000, we would save \$18,000. The total estimated saving under armor and armament is \$6,377,000.

Under the increase of the Navy, ammunition, the shells, some orders have been placed at South Charleston and some already have been contracted for, and I doubt if you could stop that which has been contracted for. There is a total cost of \$2,430,000, and we expect to save on that \$2,000,000; in other words, \$430,000 worth of work is too far along to stop.

The rest of the 6-inch shells, powder, has not yet been ordered, and the total saving under ammunition would be \$3,695,000, making a total on one battleship of \$10,572,600, to which should be added any saving effected by cancellation of armor contracts, which is estimated at \$1,500,000, and that would be \$12,072,600, or \$19,000,000, I should say. That makes \$7,000,000—that is, on the ammunition and the armor. So there is \$7,000,000 loss in that.

Mr. KELLEY. On that the big item is the armor?

Admiral McVAY. Yes.

Mr. KELLEY. How much would it cost to settle for ingots, on the manufacture of the armor ingots, out of the \$4,000,000 or \$5,000,000 or more?

Capt. BLOCH. The Charleston plant is supposed to get 3,000 tons of armor, which would be \$1,500,000, and we would save nearly all of that. The Bethlehem carries contracts for 6,000 tons of armor, worth \$3,000,000. I suppose we would save at least half of that. However, that ought to be a liberal estimate, because, as I recall it, we have not made any payments except for armor 33½ per cent built. Assuming they are further advanced than we have made a definite allowance for, that would be \$1,500,000 added to it, making a total of \$13,572,000 out of the whole thing.

Mr. KELLEY. Out of the total of \$19,000,000?

Capt. BLOCH. Plus five and one-half million, making approximately \$19,000,000.

Mr. KELLEY. That leaves a balance of what?

Capt. BLOCH. It leaves \$5,500,000; and the seven less, \$1,500,000, on which Admiral Taylor might have a word to add to that.

Mr. KELLEY. Not to exceed \$5,000,000?

Capt. BLOCH. Not to exceed \$5,000,000.

Mr. KELLEY. So you figure it would cost at least \$10,000,000 to stop the *Massachusetts*?

Mr. FRENCH. I wanted to develop this fact. Suppose the Committee on Appropriations should pare down this amount to a basis that it would think that it could defend in the way of a program for the year in looking to the ultimate completion of the program, then, suppose that on the floor of the House the proposition should be raised of canceling the *Massachusetts* program entirely. As an alternative to that proposition, how would the matter be viewed of paring down the construction of the entire program over such a period of time?

as to bring the expense per year down to an amount that it would be per year if the *Massachusetts* were canceled? Would that not be much less loss to the Government, and would not it be a much more satisfactory arrangement for all contractors and more satisfactory from the standpoint of labor?

Capt. BLOCH. I think that would be much better.

Mr. KELLEY. It would probably resolve itself into this. About how much would you estimate would be spent on the *Massachusetts* out of the money you are figuring on getting?

Mr. FRENCH. About \$10,000,000 during the year?

Admiral McVAY. No.

Mr. FRENCH. What would it be per year?

Capt. BLOCH. You are getting \$100,000,000, and you would have 10 battleships, 6 battle cruisers, 10 scouts and submarines.

Mr. FRENCH. How much would it be, then, per year, on the *Massachusetts* alone, assuming it is alone directed to that ship?

Capt. BLOCH. About \$6,000,000.

Mr. FRENCH. Then the program that I suggest would mean that in lieu of canceling the \$6,000,000 item and wiping out the work on the *Massachusetts* entirely we would postpone the work on the basis of 6 per cent per month or per year, which would mean, so far as the expense is concerned, an identical amount. Now, then, I was wondering if we could not handle it that way and save ourselves much loss.

Admiral McVAY. I think you would save your losses and help the contractors and eliminate the possibility of suit for damages, and we would still get vessels which we needed.

Admiral TAYLOR. Any possible losses from slowing down would be very much less than the loss from cancellation.

Mr. FRENCH. I can see, as a matter of fact, that it might be a distinct advantage to some of these concerns, such as the Bethlehem, that have gone on contracting, almost entirely to slow down the program, and it would give them more time to recuperate themselves from the standpoint of private contracts, so as to keep their men intact, keep their forces intact, and at the same time be giving them an opportunity to solicit from private business.

Mr. KELLEY. What the admiral said they would probably do would be to put their men ordinarily employed on private business on Government contracts, and that would facilitate or hasten it along, which would be more than they would ordinarily desire to do in ordinary times, and that would make the expense per year much greater. So they will adjust the work with the contractors.

Admiral TAYLOR. I think I can say in regard to some of the ship-builders and from their point of view they would be willing to accept some slowing down of contracts rather than canceling them, for obvious reasons.

Mr. KELLEY. Yes.

Admiral TAYLOR. And also, on a falling market, with very little in the yard, they would claim the losses from cancellations to the very last cent.

Mr. KELLEY. Yes. It would cost about \$10,000,000 to cancel the *Massachusetts*. I think that is in the record. It would seem as though that would be excessive.

Admiral GRIFFIN. There is the contractors' profit. Any you must consider the falling labor market. The contract provides for a fixed price of \$1,650,000, but with a falling labor and material market we would save a certain figure on that.

Admiral TAYLOR. The figure is about \$2,000,000.

Admiral GRIFFIN. About \$18,000,000. We would get something out of that. If they cut that down to \$16,000,000 that would be a million dollars more profit for them.

Mr. KELLEY. Therefore, out of the \$23,000,000 contract with C. & M. the profits on your end of the contracts are a fixed profit of \$1,600,000?

Admiral TAYLOR. \$1,650,000.

Mr. KELLEY. How much profit do you figure on the armor and armament?

Admiral McVAY. Ours was a straight contract.

Mr. KELLEY. How much profit do you figure that the manufacturers are making out of what you contract on? You have been in the business of making contracts in armor and everything else, and you would not let anybody put anything over on you on the sum total of the contract price, and you have estimated how much profit there is in every contract you have outstanding. How much do you figure it is? Is it 10 per cent or 8 per cent, or what?

Capt. BLOCH. It must be less than 15 per cent.

Admiral McVAY. It must be somewhere around 20 per cent.

Mr. KELLEY. You figure 8 per cent on the basis of that contract, \$1,600,000, on the \$23,000,000, and it would be about 7 or 8 per cent. If you made it 8 per cent on the whole \$42,000,000, including armor and armament and ammunition, it would be about \$3,000,000 in profit alone that would have to be accounted for, and then damages and material and loss of various kinds is beyond that. It could not be much less than \$3,000,000 at that rate.

Admiral TAYLOR. Admiral Griffin suggests \$5,000,000.

Admiral GRIFFIN. That is predicated on the profit they may possibly make with a familiar labor and material market.

Mr. KELLEY. Admiral Taylor said that \$1,600,000 is probably the amount?

Admiral GRIFFIN. Considerable headway has been made on the machinery of battle cruisers.

Admiral TAYLOR. The subcontractors as well as the main contractors are in it. As to these contracts with shipbuilders, when you deal with them they will claim an astonishing amount of work displaced by their taking Government work.

Mr. KELLEY. If you take a conservative figure and make it \$3,000,000, and make the same conservative figure for armor and armament, that would make \$6,000,000 as the maximum figure of damage. Then take an additional four or five million on that and it would make somewhere from six to ten million dollars. That would be a fair statement to the House, that it would cost from six to ten million dollars to cancel the *Massachusetts*.

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. Then there are other questions as to whether under any circumstances it should be canceled or not.

Admiral TAYLOR. That would be a dead loss, money thrown away.

Mr. KELLEY. It would be money thrown away. As to any of the others that are advanced as far as 11.9 or 19 per cent or 15 per cent, it would run into losses very fast, because the material would be fabricated to a much greater degree and everything all along the line would be interfered with. Is that true?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. I do not imagine there would be any disposition on the part of anybody to cancel battle cruisers. I do not imagine there would be very much, because we have not any of that type. But there might be a desire on the part of some to cancel a battleship or two if a distinct saving could be made. Now, as to the battle cruisers, are the keels all laid for those?

Admiral TAYLOR. All but one, the keel of the *Lexington*, has just been laid. Greatest progress has been made on the *Saratoga*, the one at the New York Ship Yard. They are getting on very well with her.

Mr. KELLEY. Of course, two of those are in Government yards. The Philadelphia yard has two.

Admiral TAYLOR. The *Ranger* has not had her keel laid.

Admiral GRIFFIN. All contracts for machinery have been placed for the 10 ships—6 battle cruisers and 4 battleships.

Mr. KELLEY. How has the work progressed on the machinery?

Admiral GRIFFIN. On one ship it is fairly well along. They have a great deal of material and are pushing it along now. For the others subcontracts have been made for the materials.

Mr. KELLEY. When does that begin to show up in the reports as progress work, when it gets into the yards?

Admiral TAYLOR. When it reaches the yards; yes, sir.

Mr. KELLEY. So that an engine being built at some engine works, or some portion of it, would not appear on the progress upon that; it would not appear as that appears here?

Admiral GRIFFIN. It should appear in that statement.

Admiral TAYLOR. The machinery has not made much progress yet?

Admiral GRIFFIN. Not much.

Mr. KELLEY. What is that first column?

Admiral TAYLOR. The first column represents the maximum amount that has been placed on the ship, and then what has been received in the yards. We have as regards those two Philadelphia ships for the hull division between \$3,000,000 and \$4,000,000 worth of subcontracts out, and the material, the steel, is beginning to come in very satisfactorily.

Mr. KELLEY. In the hull report here it does not show up until it reaches the yard where it is being constructed.

Admiral TAYLOR. No, sir. We do not give any credit for progress until the material is at the yard.

Mr. KELLEY. That is not true as to engines?

Admiral GRIFFIN. No; the subcontractor has the engines.

Mr. KELLEY. What was the progress from day to day?

Admiral GRIFFIN. They are all included in the reports.

Mr. KELLEY. Coming back to the engine makers, there should be a great deal of fabrication of material that would not be reported by the inspector.

Admiral GRIFFIN. Not in the engines themselves, because the actual fabrication is done in the works of these electric companies, and their orders for material, of course, are scattered over a wide field.

Mr. KELLEY. Who builds most of the engines?

Admiral GRIFFIN. The General Electric and the Westinghouse Cos.

Mr. KELLEY. They have a plant in Schenectady, N. Y.?

Admiral GRIFFIN. The General Electric Co. has.

Mr. KELLEY. They have outstanding orders for possibly all the material necessary.

Admiral GRIFFIN. Practically all the material is under contracts.

Mr. KELLEY. And those orders are scattered all over the country?

Admiral GRIFFIN. Yes, sir.

Mr. KELLEY. That does not show up in any way.

Admiral GRIFFIN. Not at all.

Mr. KELLEY. That material does not show up in any way until it reaches the yard or engine building?

Admiral GRIFFIN. No, sir.

Mr. KELLEY. It might be on the railroads in transit?

Admiral GRIFFIN. It is something that the contractor would be liable for, and, of course, we would be liable for it ultimately.

Mr. KELLEY. Now, as a military matter, of course, you were all constructors except Admiral McVay, and he is to-day with the ordnance end. There is no difference of opinion especially, is there, in the Navy as to the desirability still of the building of these battle cruisers? That is, there is nothing in that section that is changed as the result of the war?

Admiral McVAY. The military people could answer that question. While I belong to the military branch, I am running one of the industrial branches also, especially, but I know of no change in sentiment.

Admiral TAYLOR. With regard to that the record shows that after the war the department suspended temporarily the building of these cruisers in order to embody in them the lessons of the war. The Secretary and several chiefs of bureaus went abroad and investigated the question in France, Italy, and England. After their return their information was communicated to the General Board, which was headed by Admiral Badger, with Admiral Sims a member ex officio, and the commanders in chief of the Atlantic and Pacific Fleets were added to the board temporarily, and the question was put up to the augmented General Board whether this program should be continued as it was, or if not, what changes should be made, and they recommended unanimously that we proceed with the battleships, with virtually no changes, with the battle cruisers with modifications from the lessons of the war. Those changes were made and the contracts proceeded on that basis. There was embodied in them the most recent experience, and I may say that the General Board thus augmented was unanimous in the recommendation. It was given by the Secretary to the Naval Affairs Committee when they were having hearings in 1919.

Admiral McVAY. I was talking with a member of the General Board yesterday afternoon, and he told me he hoped that the committee did not contemplate stopping any of the program. I told him that I thought it had in mind to adopt some other method, and he was very much pleased.

Mr. KELLEY. The scout cruisers are further along.

Admiral TAYLOR. Yes; we have practically none of them in service, and it is recognized as a most desirable type.

Mr. KELLEY. Midway between destroyers and big ships.

Admiral TAYLOR. Destroyers of destroyers.

Mr. KELLEY. None of those other types are in position where they could be canceled without loss? Nearly all of them well along, apparently.

Admiral TAYLOR. All well along except one or two auxiliaries, which are very much needed.

Mr. KELLEY. Now, of course, the application of such money as you received this year to those various ships will depend altogether on your arrangements with the contractors and with the policy of the department. There is nothing in the law which would require you to apply any particular amount to any particular ship, is there, anywhere?

Admiral TAYLOR. No, sir.

Mr. KELLEY. The department might desire you to expedite the battle cruisers and slow up more even than you had contemplated on some of the others. That would be a matter of departmental functioning that you could undoubtedly work out without any difficulty.

Admiral TAYLOR. The natural tendency would be, I think, in each class to go ahead with what is furthest advanced and slow up what is not so far advanced. That is the most natural way of spreading it out over a long time. But there would be a number of special cases. Each case would have to be treated on its merits. The situation would change from month to month almost.

Mr. KELLEY. But it is a situation where you could put the battle cruisers through a little faster. You could probably reduce some of the others and expedite them, but with a given amount of money it is a matter for the Secretary of the Navy.

You are not going to start any more destroyers.

Admiral TAYLOR. They would be already done except for the strike in the Union Iron Works. We expect to clean up by July.

Mr. KELLEY. You are not going to start any more submarines for a year?

Admiral TAYLOR. I think Mr. Daniels, although I am not authorized to speak for him, is not going to order those fleet submarines. We opened bids some months ago.

Mr. KELLEY. So the money we are appropriating this year will all be used in furtherance of types that are now under way.

Admiral TAYLOR. Yes, sir.

INCREASE OF THE NAVY, ARMOR AND ARMAMENT.

Mr. KELLEY. Admiral McVay, just give, say, the amount of your ships, armor and armament, page 121, "Increase of the Navy, armor and armament." Give us the revised figures that you have with Admiral Taylor to make up the \$100,000,000. You get the rest of it, do you not?

Admiral MCVAY. Ours would be \$37,000,000.

Mr. KELLEY. How will I divide the \$37,000,000 in one place?

Admiral McVAY. Armor and armament.

Mr. KELLEY. Under "Increase in the Navy, armor and armament," you had last year \$45,000,000.

Admiral McVAY. Yes, sir.

Mr. KELLEY. For guns, ammunition, vessels, repairs authorized; that goes out this year, altogether, I believe.

Admiral McVAY. That comes in the \$100,000,000.

Mr. KELLEY. Did we put into the record your end of this?

Admiral McVAY. No, sir; along that line, I think I can answer the questions. Out of the total cost, eliminating the 12 destroyers in the 1916 fleet program, the total cost is \$263,200,000, of which there is \$102,619,000 still to complete. In other words, it is about 60 per cent completed so far as armor and armament are concerned.

Mr. KELLEY. Let me get into the record right here just the situation of the amount that has been paid altogether. Admiral Taylor, how much up until last July, up until next July 1, 1921, has been spent or appropriated for hulls and machinery?

Capt. BLOCH. In July, 1920, or 1921?

Mr. KELLEY. Next July, 1921, starting with Admiral Taylor first, for hulls and machinery.

Admiral TAYLOR. It is \$281,170,000 to July 1, 1921; July 1, 1920, \$176,470,000; available, \$104,700,000. Those are the figures I gave you, I believe.

Mr. KELLEY. What about the \$134,600,000?

Admiral TAYLOR. I beg your pardon. That is right. I overlooked "torpedo boats."

Mr. KELLEY. That makes \$311,070,000 spent for hull and machinery.

Admiral TAYLOR. Yes.

Mr. KELLEY. Up until next July.

Admiral McVAY. \$160,200,000.

Mr. KELLEY. That makes a total of how much?

Admiral McVAY. \$160,200,000.

Mr. KELLEY. That is the amount spent or appropriated until next July, 1921?

Admiral McVAY. Spent or appropriated; we will have \$16,000,000 on hand.

Mr. KELLEY. You give the amount appropriated as \$176,200,000; then the amount spent or appropriated, hull and machinery, makes \$311,070,000; for armor and armament, \$176,200,000. I think that is not in this total of \$911,350,000. Is it the total cost of the program?

Capt. BLOCH. Yes, sir; but I don't think that you have included ammunition.

Mr. KELLEY. What is the ammunition spent or appropriated?

Capt. BLOCH. \$51,000,000.

Mr. KELLEY. The \$51,000,000 was for ammunition, spent or appropriated up to July 1, 1921?

Capt. BLOCH. That is correct.

Mr. KELLEY. The grand total as appropriated is \$538,270,000. What is the total revised estimated cost of the program, including armor and armament?

Admiral TAYLOR. \$643,950,000, C. and M.

Mr. KELLEY. Of the \$643,950,000, how much is for armor and armament? I have \$267,400,000 here.

Capt. BLOCH. \$328,781,000.

Mr. KELLEY. The \$267,400,000 is for armor and armament?

Capt. BLOCH. Yes, sir; but this includes destroyers which are not to be built.

Mr. KELLEY. And then there is the ammunition on top of that?

Capt. BLOCH. Yes, sir; there is ammunition, too.

Mr. KELLEY. What would be the ammunition by itself?

Capt. BLOCH. \$65,781,000. Increase of the Navy A. and H. ought to be \$263,200,000. It was \$267,000,000; then we took off destroyers, amounting to \$4,200,000.

Mr. KELLEY. \$263,200,000?

Capt. BLOCH. Yes, sir; \$328,781,000 total.

Mr. KELLEY. Now, in order to get this into one statement, if you gentlemen will just watch the figures carefully to see that I make no mistake, we will put them all in together. The total cost of the program for hulls and machinery is \$643,950,000?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. The total cost for armor and armament is \$263,200,000?

Capt. BLOCH. That is right.

Mr. KELLEY. And the total cost of ammunition is \$65,781,000?

Capt. BLOCH. That is right.

Mr. KELLEY. The limit of the total for the program, including ammunition, is \$972,931,000. Now, there has been spent or appropriated until July 1, 1921, for hulls and machinery—

Admiral TAYLOR (interposing). That also applies at the present time—that has been spent or appropriated.

Mr. KELLEY. Spent or appropriated at the present time—yes—and that runs up to July 1, 1921?

Admiral TAYLOR. Available until then.

Mr. KELLEY. \$311,070,000 for hulls and machinery, \$176,200,000 for armor and armament, and \$51,000,000 for ammunition, making a total of \$538,270,000 which has been expended or appropriated to be spent during this fiscal year on this program, leaving a balance of \$434,661,000—

Capt. BLOCH (interposing). To be appropriated.

Mr. KELLEY. To be appropriated.

Admiral TAYLOR. Fifty-five per cent.

Capt. BLOCH. Of which \$100,000,000 is this year's quota.

Mr. KELLEY. Of which \$100,000,000 we are figuring on putting in this coming year.

Is there any further statement?

Admiral GRIFFIN. You would not touch the limit of cost, I suppose?

CONSTRUCTION AUTHORIZED PRIOR TO PRESENT PROGRAM.

Mr. KELLEY. That is a matter of legislation. If there is anything wrong about that, you will have to see the Committee on Naval Affairs.

Admiral Taylor, will you put in the record a short statement showing the numbers of the chief types of ships that we had built or authorized prior to this program?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. And then the number of each type included in this program?

Admiral TAYLOR. Yes, sir.

Mr. KELLEY. That brings the history of the Navy up to 1916 as to numbers.

Admiral TAYLOR. There is always a little complication with the program on account of the Neff submarine authorized but never built.

Mr. KELLEY. Leave it out.

Admiral TAYLOR. There are 20 besides authorized outside of the program.

(The statement referred to above follows:)

(A) Prior to three-year program of August 29, 1916.

(B) Under the three-year program.

(C) In addition to three-year program under war emergency.

(D) Vessels built or authorized since 1916—totals of (B) and (C).

NOTE.—(A) includes vessels authorized subsequent to 1883. Vessels purchased, captured, or seized, for use as patrol vessels, auxiliaries, etc., do not appear.

Type.	A	B	C	D
Battleships.....	1 46	10		10
Monitors.....	10			
Battle cruisers.....		6		6
Cruisers.....	40	10		10
Gunboats.....	20	2		2
Torpedo boats.....	35			
Destroyers.....	74	2 60	2 229	2 279
Submarines.....	78	4 68	4 26	4 94
Auxiliaries (fuel).....	15	3		3
Auxiliaries (special).....	5	8		8
Miscellaneous.....	9			
Tugs.....	18		21	21
Mine sweepers.....			49	49
Patrol vessels (eagles).....			60	60
Submarine chasers.....			341	341
Total.....	350	157	726	883

¹ Includes old Maine and Texas.

² Twelve of these not ordered to date.

³ Exclusive of 6 that were ordered and later canceled.

⁴ Includes 1 Neff submarine, never built, and 6 fleet submarines not yet ordered.

⁵ Twenty of these were specifically authorized in act of Mar. 4, 1917.

⁶ Includes 1 transport, not yet ordered.

⁷ Includes dispatch vessel, dynamite cruiser, training and practice vessels.

⁸ Exclusive of 6 that were ordered and later canceled; also exclusive of small harbor and motor tugs.

⁹ Exclusive of 5 that were ordered and later canceled.

¹⁰ Exclusive of 52 that were ordered (12 for Italy) and later canceled.

¹¹ Exclusive of 7 that were ordered and later canceled; also exclusive of 100 built for France.

Mr. KELLEY. I just want the statement for those who will look at this thing casually, who will likely want to know what ships we had before we started this program, either built or authorized, and what ships will come in by reason of this program.

THURSDAY, JANUARY 20, 1921.

NAVAL ACADEMY.

**STATEMENT OF REAR ADMIRAL A. H. SCALES, SUPERINTENDENT
NAVAL ACADEMY, ACCOMPANIED BY LIEUT. COMMANDER H. G.
TAYLOR, ASSISTANT TO THE SUPERINTENDENT AND IN CHARGE
OF BUILDINGS AND GROUNDS.**

PAY OF PROFESSORS AND OTHERS.

Mr. KELLEY. We have with us this morning Admiral Scales, Superintendent of the Naval Academy, and Lieut. Commander Taylor. The first item is pay of professors and others at the Naval Academy. This year we gave you \$385,000 and you are asking for the same amount.

Admiral SCALES. Yes, sir.

Mr. KELLEY. That does not provide any increase in pay over last year or any increase in the number of professors?

Admiral SCALES. None whatever, except small automatic increases provided by regulations for length of service.

NUMBER OF STUDENTS.

Mr. KELLEY. How many students have you at the academy?

Admiral SCALES. We have 2,200 now; we started out with 2,250.

Mr. KELLEY. How many did you have last year?

Admiral SCALES. We had about 2,080.

Mr. KELLEY. So the attendance is about the same?

Admiral SCALES. Yes, sir. It will be a little greater next year, because we expect a larger class next June; the possibilities are about 1,300.

Mr. KELLEY. What is the total number that could be appointed under the law?

Admiral SCALES. About 3,000.

Mr. KELLEY. The difference between what you have and what you could have represents vacancies that are not filled by Members of Congress?

Admiral SCALES. That and also failures among enlisted men from the Navy.

Mr. KELLEY. How many students in the academy in the freshman year have come up from the enlisted men?

Admiral SCALES. About 100. We entered about 100, but have lost several since. I would say about 95.

NOTE.—The accurate numbers are 83 entered and 73 remain to date.

Mr. KELLEY. They have dropped out because they could not keep up with their classes?

Admiral SCALES. That or becoming discouraged.

Mr. KELLEY. That is a pretty fair percentage, 95 holding out out of 100.

Admiral SCALES. Yes, sir; but there will be less than that when we get through with the examinations.

Mr. KELLEY. Do they do pretty well?

Admiral SCALES. They do very well; yes, sir.

Mr. KELLEY. You are satisfied with the policy of permitting them to come up from the enlisted men?

Admiral SCALES. Yes, sir; as a general policy, I am. If I were doing it, perhaps I could change the method of getting them in.

Mr. KELLEY. How do you get them in? How do you select those 100 men?

Admiral SCALES. The commanding officers recommend them for examination, and the Navy Department holds examinations at specified points, and then any man who can make it is allowed to come in, if he passes the physical examination, up to the limit of 100. Now, last year we obtained 83. The only difficulty is, as I see it, that they come in a little handicapped as compared with the other students.

Mr. KELLEY. That is, they do not have quite the mental training?

Admiral SCALES. They do not have the education back of them, the broad basis, and also, as a rule, they are older men; they are near the upper limit of the age; it is almost impossible for a young enlisted man to get in until he is about 20 years old, and that is the upper limit.

Mr. KELLEY. He is well regarded by the other students? I suppose they do not make any difference in their treatment of such students?

Admiral SCALES. He stands absolutely on his own personality; his antecedents have nothing whatever to do with it.

Mr. KELLEY. How many members of the faculty will be paid out of this appropriation?

Admiral SCALES. I will have to put that in exactly, but I think it is about 117.

NOTE.—It is 117, but if the new class reaches 1,000 several more will be required.

Mr. KELLEY. What proportion of those are civilians?

Admiral SCALES. They are all civilians.

Mr. KELLEY. If you had your choice which would you choose, the civilian professors, or would you take the naval officers?

Admiral SCALES. I should take the larger number of them as naval officers.

Mr. KELLEY. Then if we had the officers to spare you would supplant some of these professors?

Admiral SCALES. Yes, sir.

Mr. KELLEY. If we should maintain the Navy at 100,000 men and retain the officers, including the 1,200 that are coming in from the Naval Reserve, and if there should be any excess this would be one place where officers could be used to very good advantage?

Admiral SCALES. With this modification, that it would not be to the advantage of the Naval Academy or to the naval service to get rid of these men we have and put officers in temporarily, and then come back to new men.

Mr. KELLEY. No; it would have to be in pursuance of a permanent plan.

Admiral SCALES. Yes, sir; otherwise we ought not to begin it.

Mr. KELLEY. So, pending any final disposition of the matter, you would not want to make any temporary arrangement for this year?

Admiral SCALES. No, sir. An additional reason is that if at any time you want to reduce those, the amount you appropriate has nothing whatever to do with it, because you can not pay out any more money than you have men to pay.

Mr. KELLEY. So, if you supplanted these with officers, there would be a little money going back to the Treasury?

Admiral SCALES. Yes, sir; and there always is a little going back, and for this reason, that there are resignations and various other things happening which bring about a certain amount of excess. A man may die and his pay stop until we get a new man.

Mr. KELLEY. The increase in pay that was provided last year has made everything comfortable as far as these men are concerned?

Admiral SCALES. I think they are in excellent shape.

Mr. KELLEY. How much will you have left at the end of the year out of your appropriation of \$385,000?

Admiral SCALES. Well, that is pretty hard to say.

Mr. KELLEY. Did you have some left last year?

Admiral SCALES. Yes, sir.

Mr. KELLEY. How much did you have on the 1st of July?

Admiral SCALES. I will put that in the record. It was some thousands of dollars; it might run up as high as \$10,000 or \$15,000.

NOTE.—The correct amount is \$22,810.

Mr. KELLEY. Possibly \$10,000 or \$15,000?

Admiral SCALES. Probably that; yes, sir.

Mr. KELLEY. But you would not like to have this reduced by that amount?

Admiral SCALES. No; because if that were done and somebody did not die or resign, it might be necessary to cut out somebody's pay. There is another thing there, Mr. Kelley; in fact, there are two other reasons: There is an automatic increase every year for these men, so that we must have a little to pay that.

Mr. KELLEY. That is, the longer they serve the more money they get?

Admiral SCALES. Yes, sir. That is one reason. And another is that if I get a class of 1,000 men next year I will have to take on several more.

QUALIFICATIONS FOR ENTRANCE TO ACADEMY.

Mr. FRENCH. I want to ask with regard to the qualifications of the young men now entering in comparison, say, with 15 years ago and 20 years ago. Are they as well prepared as they come to you to be trained as they were 15 years or 20 years ago?

Admiral SCALES. Absolutely speaking, they are a little better; but relatively speaking, they are not so well prepared.

Mr. FRENCH. I wish you would explain that.

Admiral SCALES. What I mean is this: That to keep pace with naval advance and naval science we have had to add an enormous amount to our course; therefore we have not anywhere near the time in four years to give these youngsters all they ought to get, starting them where we do. So one of the greatest needs in the Naval Academy to-day is a very decided increase in the qualifications for entrance.

Mr. FRENCH. Has the standard increased within the last 15 or 20 years?

Admiral SCALES. You mean the standard for entrance?

Mr. FRENCH. Yes.

Admiral SCALES. Well, it has increased, perhaps, just a little, but very little.

Mr. FRENCH. Does a larger percentage succeed in entering of those who take the examination or fail?

Admiral SCALES. Well, I imagine it is just about the same; I do not think there is any difference. But now we take them in on certificates from high schools and college-entrance boards, so that this next year we are not going to have as many come by examination.

Mr. FRENCH. Then, again, what percentage fails at the end of the first year upon examination as compared with 15 or 20 years ago?

Admiral SCALES. Very much fewer; perhaps as many fail but we do not get rid of as many, because we have to meet the opposition in getting rid of them.

Mr. KELLEY. Just what do you mean by that?

Admiral SCALES. Well, I mean there is always pressure brought to bear to lower the standard. The academic board will say such and such a thing is a standard; that has been the same for years and years, 62½ per cent. A man will fall below that standard, and if we recommend quite a large proportion for dismissal, then we get pressure from everywhere to reduce that proportion, and the only way to do it is to reduce the standard.

Mr. KELLEY. Is the pressure any greater on you than it was on your predecessors all the way back?

Admiral SCALES. No; I do not think so. It is just the condition that comes about and always will exist.

Mr. KELLEY. I wondered whether there was any new element.

Admiral SCALES. None whatever, sir; it is just the same thing that has always been there. The fight is this: There is always a fight between the academic board and the powers that are above us, we to keep it up, and they to push it down.

Mr. FRENCH. If you are really in need of a larger class you can reduce the standard, say 5 per cent, at the end of the first year, and in that way permit quite an additional number to pass.

Admiral SCALES. You can do it, but it is very inadvisable to do it. You have struck on one of the points that any man who knows the Naval Academy will tell you is really one that we have very greatly at heart, and that is keeping the standard of the place up.

Mr. FRENCH. What I have in mind is this: I know it is my experience, and I know it is the experience of a great many Members of Congress, that there is more difficulty now in picking students who can meet the entrance examinations than was the case 15 years ago, and I take it that the moving pictures and a good many other forms of these entertainments enter into that problem; and I was wondering whether, after the sifting process is completed and we do get our boys there, they are able to go ahead. I say right now that in comparison with 15 years ago there is at least twice or three times the effort put forth to get boys who can measure up and go through, so far as my experience is concerned, and I believe that is true of many Members of Congress.

*List of professors, associate professors, assistant professors, and instructors,
as shown by pay roll of Jan. 1-15, 1921.*

	Per annum.
C. A. Smith, professor and head of department of English-----	\$5,850
C. L. Leiper, professor-----	4,400
Angelo Hall, professor-----	4,400
Paul Capron, professor-----	4,400
W. O. Stevens, professor-----	4,400
C. S. Alden, professor-----	4,400
P. J. des Gurenness, professor-----	4,400
P. E. Voynot, professor-----	4,400
A. Fernandez, professor-----	4,400
A. F. Westcott, professor-----	4,300
A. N. Brown (librarian)-----	4,400
W. J. King, associate professor-----	3,800
J. B. Eppes, associate professor-----	3,800
H. J. Fenton, associate professor-----	3,800
L. R. Fournon, associate professor-----	3,800
J. Martel, associate professor-----	3,800
W. B. Norris, associate professor-----	3,800
H. F. Krafft, associate professor-----	3,800
W. E. Olivet, associate professor-----	3,800
M. A. Colton, associate professor-----	3,800
A. Dillingham, associate professor-----	3,700
J. A. Bullard, associate professor-----	3,700
J. F. Broussard, associate professor-----	3,700
S. A. Gunn, associate professor-----	3,700
G. R. Clements, associate professor-----	3,700
J. N. Galloway, associate professor-----	3,700
A. Kiernan, associate professor-----	3,700
H. McCormick, assistant professor-----	3,200
J. Tyler, assistant professor-----	3,200
P. H. Houston, assistant professor-----	3,100
C. G. B. Laguardia, assistant professor-----	3,200
L. Herrera, assistant professor-----	3,200
J. C. Gray, assistant professor-----	3,200
W. E. Farrell, assistant professor-----	3,200
C. P. Bolgiano, assistant professor-----	3,200
H. F. Sturdy, assistant professor-----	3,100
H. Loss, assistant professor-----	3,200
O. W. Allen, assistant professor-----	3,200
G. D. Robinson, assistant professor-----	3,200
L. S. Dederick, assistant professor-----	3,100
R. S. Pease, assistant professor-----	3,100
H. M. Robert, Jr., assistant professor-----	3,100
M. A. Eason, assistant professor-----	3,100
L. T. Wilson, assistant professor-----	3,100
C. L. Lewis, assistant professor-----	3,100
W. N. Wherrett, assistant professor-----	3,100
E. P. Metour, assistant professor-----	3,100
C. V. Fowler, assistant professor-----	3,100
D. Kavanaugh, assistant professor-----	3,100
Geo. Beneze, assistant professor-----	3,100
J. W. Pratt, assistant professor-----	3,100
M. A. Vaccariello, assistant professor-----	3,100
J. M. Purdie, assistant professor-----	3,100
D. G. Howard, assistant professor-----	3,100
H. H. Gaver, assistant professor-----	3,100
W. F. Shenton, assistant professor-----	3,100
R. S. Merrick, assistant professor-----	3,100
E. B. Phillips, instructor-----	2,800
M. E. Speare, instructor-----	2,800
E. A. Aldrich, instructor-----	2,800
E. A. Bailey, instructor-----	2,800
H. G. Brown, instructor-----	2,800
G. F. Alrich, instructor-----	2,800
R. P. Johnson, instructor-----	2,800

	Per annum.
J. B. Scarborough, instructor-----	\$2,800
R. M. Herrick, instructor-----	2,800
W. L. Fichter, instructor-----	2,800
M. R. Richardson, instructor-----	2,800
C. J. Winter, instructor-----	2,800
C. J. V. Arjona, instructor-----	2,800
R. C. Lamb, instructor-----	2,800
E. S. Mayer, instructor-----	2,800
G. H. Cresse, instructor-----	2,800
C. H. Rawlins, instructor-----	2,800
C. A. Shook, instructor-----	2,800
H. Bluestone, instructor-----	2,800
A. P. Meyer, instructor-----	2,800
C. B. Fortna, instructor-----	2,800
A. J. Barrett, instructor-----	2,800
F. A. Wells, instructor-----	2,800
L. S. Johnson, instructor-----	2,800
Philip M. Molt, instructor-----	2,800
W. A. Darden, instructor-----	2,800
T. T. McCabe, instructor-----	2,800
H. E. Jenks, instructor-----	2,800
G. W. Gignilliat, instructor-----	2,800
W. K. Doty, instructor-----	2,800
E. W. Thompson, instructor-----	2,800
J. C. Robertson, instructor-----	2,800
T. S. Elchelberger, instructor-----	2,800
R. B. Foster, instructor-----	2,800
J. K. Ditchy, instructor-----	2,800
P. E. Hemke, instructor-----	2,800
L. M. Keils, instructor-----	2,800
A. A. McKay, instructor-----	2,800
P. A. Lajoye, instructor-----	2,800
C. K. Payne, instructor-----	2,800
W. A. Conrad, instructor-----	2,800
G. A. Bingley, instructor-----	2,800
Daniel Jordan, Instructor-----	2,800
T. B. Hunt, instructor-----	2,800
L. J. Engeilke, instructor-----	2,800
E. H. Lange, instructor-----	2,800
H. B. Osborn, instructor-----	2,800
S. H. Brown, Jr., instructor-----	2,800
C. J. Weber, instructor-----	2,800
A. C. Robinson, instructor-----	2,800
John Kopke, instructor-----	2,800
L. F. Hildebrandt, instructor-----	2,800
C. E. Fanning, instructor-----	2,800
E. R. C. Miles, instructor-----	2,800
H. B. Winchell, instructor-----	2,800
Jose Llorens, instructor-----	2,800

Admiral SCALES. May I say right there that I think that is due to several causes, and maybe the movies have something to do with it, but I think it is due to the fact that a naval career for a boy during the last two or three years has appealed less than it did before. You do not have as many people wanting to come in.

Mr. FRENCH. That is true in my own district.

Admiral SCALES. In the first place, it is a hard course; it is rather rigid, and that must be, of course. Then the life in the Navy does not appeal to a great many people, and, besides, any military life just at this stage of the game appeals to nobody very much, as the war is over and matters are not entirely settled yet.

CIVILIAN PROFESSORS.

Mr. KELLEY. You have on this roll 117 civilian professors?

Admiral SCALES. Yes, sir. Of course, if it is a question of absolute accuracy, I want to change that number if it is necessary. There are at present four vacancies we are trying to fill and expect to have filled shortly.

Mr. KELLEY. Possibly it would be well to put in the exact pay roll.

Admiral SCALES. We will do that.

NOTE.—The following is a list of the professors, associate professors, assistant professors, and instructors, at present on the pay roll:

STATUTORY POSITIONS—INCREASES IN SALARIES—ADDITIONAL EMPLOYEES.

Mr. KELLEY. The next item covers the statutory positions. Are there any changes asked for in that list?

Admiral SCALES. Two.

Mr. KELLEY. What are they?

Admiral SCALES. The first is the secretary of the Naval Academy.

Mr. KELLEY. You want to increase his salary from \$2,750 to \$3,000?

Admiral SCALES. Yes, sir; that is a statutory position, and the reason for that is that the men under him get more money than he does, which seems to be bad. This is because pay for some clerks is fixed on recommendation of wage board. This is the only statutory one of those civilians positions in that line; the others are civil-service men who are paid according to wage schedules, and we have no control over that.

Mr. BYRNES. How high do those wages go?

Admiral SCALES. The next man under the secretary is the chief clerk; he gets \$2,814.98 a year, while his superior gets \$2,750. I want to bring him just above the wire, so to speak—just above the other fellow.

Mr. KELLEY. That has always been carried as a statutory position?

Admiral SCALES. Yes, sir.

Mr. KELLEY. Until three or four years ago a great many of these others were carried as statutory positions or were they changed by legislation?

Admiral SCALES. I do not recall that any of these were ever statutory; I think they have all been per diem men just like any other clerks, and that is what they are now.

Mr. KELLEY. The others carried in this paragraph are all statutory?

Admiral SCALES. Yes, sir; everything in this paragraph is statutory.

Mr. KELLEY. But you have other clerks who are under the Secretary of the Naval Academy receiving more than \$2,750, and their pay is fixed under general law?

Admiral SCALES. Under the general law and decisions of the Navy Department through boards or, I think, decisions of the whole Government service.

Commander TAYLOR. No; they are boards appointed by the Secretary of the Navy.

Mr. KELLEY. But at any rate it is provided by law?

Admiral SCALES. Yes, sir; we have absolutely no control over that, except to make recommendations keeping it in line with the other Navy Department policy.

Mr. KELLEY. They get their pay out of a lump sum under what head?

Admiral SCALES. Pay, miscellaneous, I think.

Mr. KELLEY. I notice you have a provision for a chief clerk under the commissary department.

Admiral SCALES. He is different; he is another man in a different department.

Mr. KELLEY. There must be a classified service somewhere.

Commander TAYLOR. The clerks under the commissary department are paid from the appropriations made for the commissary department, and they are on a per diem basis.

Mr. KELLEY. Where do you get your money with which to pay the chief clerk?

Commander TAYLOR. He is paid out of Pay, miscellaneous, of the Navy. The chief clerks of all navy yards and the recorder of the labor board are paid from Pay, miscellaneous, at all the navy yards.

Mr. KELLEY. Are there any other clerks carried there who are paid out of Pay, miscellaneous?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. I notice in the statement I have before me an item carried for clerical pay at Annapolis, under the head of buildings and grounds office, \$4,987.44.

Admiral SCALES. Yes, sir.

Mr. KELLEY. Who is paid out of that fund?

Admiral SCALES. Just the chief clerk and recorder of the labor board.

Mr. KELLEY. Just those two men?

Admiral SCALES. Yes, sir.

Mr. KELLEY. Why do you not pay them out of Navy Academy funds?

Admiral SCALES. I do not know, sir; this is a system that has grown up during the years. Of course, we would as soon have it that way, and the reason for it is this: In the various navy yards they pay for the clerical hire under each bureau, but when it comes to the central office, the commandant's office, they do not like to pay for it from one bureau and another, so they pay it from a central appropriation, like pay, miscellaneous.

Mr. KELLEY. The only reason why you think the salary of the secretary should be increased is that the chief clerk under him gets more?

Admiral SCALES. That and the general high cost of living.

Mr. KELLEY. How long has he been there?

Admiral SCALES. He has been there about 14 years as secretary and three or four prior to that in other capacities.

Mr. KELLEY. And he will probably stay—he will not leave?

Admiral SCALES. No; I do not suppose he will. We recommended \$3,000 last year, and they cut it to \$2,750, and I recommend \$3,000 again. Of course, that recommendation was made not only because somebody else gets more, but also because he really ought to have more.

Mr. BYRNES. Your idea is that inasmuch as clerks under him receive more, that in the interest of good administration an increase should be allowed to him?

Admiral SCALES. That is it. There are other reasons; one is that the man should have adequate pay, and the fact that others under him get more accentuates the fact that he does not get adequate pay.

Mr. KELLEY. What about the 34 watchmen instead of 30 that you are asking for?

Admiral SCALES. Well, that is based to a great extent on the point of hours of employment; we have a 44-hour basis now; everybody has got to be on a 44-hour basis.

Mr. Wood. What do those men watch?

Admiral SCALES. The Naval Academy grounds. They are really policemen; the name is a misnomer, because they are really a police force.

Mr. Wood. There is a tendency in this town, especially in the War Department—and to a considerable degree the Navy seems to have the same desire—to have an army of watchmen. There is not a business concern in this country, with the same amount of investment and the same size of buildings, that would have on-third the number of watchmen that the Government departments think they ought to have. We took 50 watchmen out of the Potomac Park buildings and they said it would be ruinous; we took out about 25 more this time and they said it would be equally ruinous. But they got along as well without them. The other day, when they were trying to get them back, they cited the fact that it was the only fire insurance they had, and Mr. Clark, of Florida, in presenting the amendment to put them back cited the fact that we had a fire in the Census Building the other night, and as far as the ascertainable facts are concerned, the fire was started by some of the watchmen, because they were the only people in the building. So the more watchmen you have the more hazard you have.

Admiral SCALES. But the Naval Academy is a little different. We have a good deal of cause to keep things in order there. We have, in the first place, 2,200 young men; they are not like college students because they are required to obey regulations and are kept much more restrained than other students in schools. The contact with the outside is great. We have a lot of workmen in the yard, necessary for the work, and we must have a thoroughfare for the workmen in going to the experiment station on the other side of the river; we have a little ferry landing on the grounds. On the whole we are not well protected; if you take the standard of ordinary Government protection it is true that they demand more protection of us than they do of outside cities, and this is a question of what the people expect, I suppose.

Mr. Wood. You have more policemen for that institution than any city in the United States with 30,000 inhabitants.

Admiral SCALES. Yes; and we require a little more work of them, sir, and have a great many more things to do. Of course, you do not take a city and put a wall around it and guard it in just that way. Of course, it has a semimilitary feature, and the number is not great enough for the purpose.

Mr. KELLEY. This means you have 10 on duty all the time; that is, on 8-hour shifts.

Admiral SCALES. Just about that; yes.

Mr. KELLEY. About 10 men?

Admiral SCALES. Yes, sir.

Mr. FRENCH. These men are largely what would constitute members of the watch in a military organization, are they not, to whom the students would report on going out and coming in, and they are used in administering discipline and checking up.

Admiral SCALES. Not in just that sense, sir. They are used in administering discipline, but only from the outside and not the interior part. I mean, they are really watchmen; they keep the thing in order, but from the outside. They have no authority over the midshipmen.

Mr. Wood. Did the wisdom of making watchmen out of these students, as a part of the training down there, ever occur to you?

Admiral SCALES. Oh, yes; and we do. We have them on military posts of various kinds. There are probably 75 of them on all the time; each floor has two.

Mr. Wood. What do these civilian watchmen do as distinguished from what the midshipmen watchmen do?

Admiral SCALES. Well, the midshipmen are on duty merely to control the midshipmen themselves in their quarters, in going to and from their quarters, in a purely military way, while the duty of the watchmen is to preserve order and furnish protection throughout the whole of the institution.

Mr. Wood. In other words, the principal function of the civilian watchmen is to watch the midshipmen watchmen?

Admiral SCALES. No, sir; there is no connection at all; they do not come in contact with each other at all; they hardly ever see each other, except across the square, or something of that kind.

Mr. BYRNES. Your civilian watchmen are engaged mostly in watching the buildings and grounds?

Admiral SCALES. That is a part of their duty, patrolling the grounds, as well as keeping track of goods, keeping property from being stolen.

Mr. Wood. Who steals it?

Admiral SCALES. People would steal it if they got the chance and we did not have anybody to stop them. We have to watch every cart that goes out, every automobile, every man, and every woman and child, practically; we have to stop them and search them, if they are suspected.

Mr. BYRNES. Why.

Admiral SCALES. Well, if there is Government property around you have got to watch it; that is about the thing.

Mr. BYRNES. They proceed upon the assumption that Government property belongs to them and they have the right to take it?

Admiral SCALES. I think it is a question of public morals rather than anything else.

Mr. KELLEY. You are asking for the four additional because the hours have been shortened and there is a 44-hour week?

Admiral SCALES. And to furnish a little leeway for leave and sickness. At present I am 100 days behind on leave. These men are entitled to leave, and I was 180 days behind a short while back. I have caught up on 80 days, but I will never catch up entirely.

Mr. KELLEY. They are entitled to 30 days' leave?

Admiral SCALES. Yes; like anybody else, they are entitled to exactly the same. They ought not to be on a 44-hour basis, but they are. A watchman should serve such hours as are necessary in the judgment of the superintendent, but that is not so, and I have to use them just like I do any other workmen.

Mr. KELLEY. The additional money you are asking, an increase from \$161,350 to \$167,200, is due to these two changes, and if those changes are not made the amount carried should be the same as last year?

Mr. Wood. May I ask a question? If my memory serves me right—and if I am not right I will be corrected—we voted a bonus for these people a year or so ago, a bonus running all the way from \$800 down to \$300 or \$400.

Mr. KELLEY. That comes in the pay of the civilian professors; there was an increase made last year, but he is not asking any change in that. The only change he is asking now has relation to a clerk and to increases on account of these hours.

Mr. Wood. Are they continuing that bonus?

Mr. KELLEY. That was not a bonus. Do these men get the \$240 bonus?

Admiral SCALES. They do, unless they receive over \$2,500.

Mr. KELLEY. There is no other bonus?

Mr. Wood. There was a bonus of \$800 for officers.

Mr. KELLEY. These are not officers.

Mr. Wood. That was a temporary arrangement on account of the high cost of living, and it is a question whether we are still carrying that on.

Admiral SCALES. None of this is affected by that; your bonus is additional to this, if he gets it at all; in some cases he gets it and in others he does not.

Mr. Wood. That is the \$240 bonus, but I am not speaking about that.

Mr. KELLEY. Mr. Wood had in mind the increase we allowed officers in the Navy.

Mr. Wood. That is what I had in mind.

Mr. KELLEY. These are not officers in the Navy, but civilian employees, and their pay is fixed by statute; that was not changed last year.

Commander TAYLOR. The increase is \$5,850 altogether; that includes the four watchmen and the increase recommended for the secretary.

Mr. KELLEY. If those two changes are not made, the same amount as last year will be necessary?

Commander TAYLOR. Yes, sir.

Admiral SCALES. If you do not grant those two increases the amount will be the same as last year.

DEPARTMENT OF ORDNANCE AND GUNNERY.

Mr. KELLEY. The next item is the Department of Ordnance and Gunnery. You had for this year \$19,806.64 and you are asking for next year \$20,658, a slight increase. What is that for?

Admiral SCALES. That is to provide for a small increase in the rates of pay of certain mechanics, and that is due to the wage board.

Mr. KELLEY. The men provided for in this item are mechanics, electricians, and the like, and their pay is fixed by a wage board?

Admiral SCALES. Yes, sir.

Mr. KELLEY. And the aggregate amounts to \$20,658?

Admiral SCALES. Yes, sir.

Mr. KELLEY. Are you providing for any increase in the number of employees?

Admiral SCALES. I do not think so. No; there is no increase in the number.

Mr. KELLEY. And the difference in the pay is merely an adjustment you have to make by reason of some wage board fixing the pay?

Admiral SCALES. Yes, sir.

Mr. Wood. If that is true it is a remarkable circumstance. Wages are on the decline; so if you have no more employees there and this adjustment board was doing its duty these wages ought to be decreased rather than increased.

Mr. KELLEY. Suppose you give the old wage scale and the new wage scale for the leading ordnance men.

Admiral SCALES. The leading ordnance man got \$6.40 under the old schedule and under the new \$7.44.

Mr. KELLEY. How many of them are there?

Admiral SCALES. There is one.

Mr. KELLEY. Take the next class—ordnance men.

Admiral SCALES. Of ordnance men we have two; the old schedule was two at \$5.60, one at \$5.12 and one at \$4.56; the new schedule for which we are asking is four at \$5.92 and one at \$4.88.

Mr. KELLEY. Is that one additional?

Admiral SCALES. That is one additional.

Commander TAYLOR. No; it is a change from ordnance helper to ordnance man.

Admiral SCALES. Let me give that again, so as to have it straight. Under the old schedule two got \$5.60, one \$5.12, one \$4.56, and one \$4.32; under this schedule your ordnance men, four would get \$5.92 and one \$4.88.

Mr. KELLEY. Take the next class, ordnance helpers.

Admiral SCALES. Mind you, we have taken one of these ordnance helpers and made him an ordnance man. Under the old schedule, for ordnance helpers, it would be three at \$4.32 and two at \$3.84; the new schedule is five altogether at \$4.56.

Mr. Wood. When was the old schedule made?

Commander TAYLOR. The new schedule went into effect on the 16th of September, 1920, and the old schedule was in effect, I should say, about one year.

Mr. Wood. What is the per cent of increase?

Admiral SCALES. On the whole thing?

Mr. Wood. I mean the per cent of increase for the individual workers.

Admiral SCALES. I think if we take it for the whole thing it would be all right.

Mr. KELLEY. It is, roughly, about 5 per cent.

Admiral SCALES. It is between 4 and 5 per cent.

Mr. KELLEY. This was the September 4, 1920, order?

Commander TAYLOR. Yes, sir; the order dated September 4 and it went into effect on September 16.

Mr. KELLEY. Will you have a deficiency under this item this year?

Commander TAYLOR. No, sir.

Mr. KELLEY. You had money enough to meet this increase?

Commander TAYLOR. What we have to do down there to keep those men at that rate of pay is to let them take leave without pay.

Mr. KELLEY. And keep within the appropriation?

Commander TAYLOR. Yes, sir; keep within the appropriation in that way.

Admiral SCALES. We do not have any deficiencies.

Commander TAYLOR. If they are put on the new wage schedule they have to be put on leave without pay.

Mr. Wood. You say they do not have any leave with pay?

Commander TAYLOR. In order to carry out the new wage scale and give them these increased rates of pay, it will be necessary to put them on leave without pay for a part of the year in order not to over-expend the amount appropriated.

Mr. KELLEY. The additional \$852, for which you are asking, is to so arrange it that nobody will have to be given leave without pay?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. Does it inconvenience you or them to give leave without pay?

Admiral SCALES. Yes; it inconveniences them considerably.

Mr. KELLEY. To the extent of \$852?

Admiral SCALES. Yes, sir; to the extent of the extra 5 per cent; they do not get that 5 per cent that the other people get if we give them leave without pay.

Mr. FRENCH. Will it interfere with the work particularly if that leave should be granted?

Admiral SCALES. Yes; we are crippled that much while they are away.

Mr. KELLEY. Of course, they ought to be treated the same as other people.

Admiral SCALES. I think so.

DEPARTMENT OF ELECTRICAL ENGINEERING AND PHYSICS.

Mr. KELLEY. The next item is departments of electrical engineering and physics. You had for this year \$19,305.84, and you are asking \$19,431.04.

Admiral SCALES. Yes, sir. That is to adjust pay in just the same way; that is an increase of \$125.20, and is to adjust the pay of 11 people.

Mr. KELLEY. On the 5 per cent basis?

Admiral SCALES. Yes. Of course, I say the 5 per cent basis, because the wage board worked on that basis.

Mr. KELLEY. You had nothing to do with fixing the pay?

Admiral SCALES. No, sir.

Mr. KELLEY. You say 11 people are affected?

Admiral SCALES. Yes, sir.

Mr. KELLEY. And there is no other change there?

Admiral SCALES. No, sir.

DEPARTMENT OF SEAMANSHIP.

Mr. KELLEY. The next item is department of seamanship. You had for this year \$8,188.08 and you ask for the same amount.

Admiral SCALES. Yes, sir.

Mr. KELLEY. The adjustment applied only to skilled mechanics, did it?

Admiral SCALES. Yes; these in seamanship department are statutory positions, and we have so many people at so much.

DEPARTMENT OF MARINE ENGINEERING AND NAVAL CONSTRUCTION.

Mr. KELLEY. The next is department of marine engineering and naval construction. You had for this year \$54,712.40 and you are asking \$55,914.32 for next year.

Admiral SCALES. You will note that the total number of mechanics remains unchanged, but a toolmaker and two electrical machinists are desired in lieu of men at other rates. The idea is that we have pretty strict rules; under the rules of the Civil Service Commission we can not employ a man out of his rating. That is a new thing that has developed down there, and, of course, we have not men in these ratings. We do not want anybody else, but we want to change his rating so that we can use him for what he is to do. Formerly the rules were not so strict on the subject and we did not bother particularly about a man's rating as long as we kept him at work all the time. But under the commission's ruling that is not so now; we have got to come down to dots and say a man is employed on electrical work and no other.

Mr. KELLEY. Who makes that regulation?

Admiral SCALES. It is a civil-service regulation and a regulation of the Navy Department; they work together, and we get the regulations from the Navy Department.

Mr. KELLEY. You are not asking for any additional men, but you are asking to have some men transferred from one rating into another, which will increase their pay, the increase amounting to \$1,201.92 for the entire group?

Admiral SCALES. Also to adjust the wage scale.

Mr. KELLEY. This includes the 5 per cent men?

Admiral SCALES. Yes, sir. We have not asked for a single extra man. This is to adjust the wages of the men and change the rating, the ratings of three men.

Mr. KELLEY. Which three are you changing?

Admiral SCALES. We want a toolmaker and two electrical machinists. We desire to have those ratings created.

Mr. KELLEY. And those ratings carry a fixed rate of pay?

Admiral SCALES. Yes, sir; under the wage board.

Mr. KELLEY. Does that mean we would have to insert some language of some kind?

Admiral SCALES. I do not think so, sir.

Mr. KELLEY. Just give you a little more money?

Admiral SCALES. Yes; and I will do the rest.

Mr. KELLEY. In other words, you will take these blacksmiths and make them toolmakers?

Admiral SCALES. One blacksmith and make him a toolmaker, and two general helpers and make them electrical machinists. I must confess I do not see the force of the ruling, but it is there; it is the law.

Mr. KELLEY. Have you toolmakers now?

Admiral SCALES. No; there is no toolmaker in that group; this is the only one, the one we are asking for.

Mr. KELLEY. Would not that require legislation? Would you not have to provide in this paragraph the rating of toolmaker?

Admiral SCALES. No; I do not think so.

Commander TAYLOR. It reads:

For master machinists, assistants, pattern makers, boiler makers, blacksmiths, machinists, molders, coppersmiths, who shall be considered practical instructors of midshipmen, and other employees.

Mr. KELLEY. The words "and other employees" cover the employment of all classes?

Commander TAYLOR. Yes, sir.

COMMISSARY DEPARTMENT.

INCREASE IN SALARIES.

Mr. KELLEY. The next item is the commissary department. You had \$397,606.16 for last year, and this year you are making a reduction to \$390,615.99?

Admiral SCALES. Yes, sir.

Mr. KELLEY. How does that reduction come about?

Admiral SCALES. We would like to get credit for that reduction, and I will explain that in this way: This is due to the fact that the rates of pay for certain positions have been increased to permit of obtaining more capable men, with a consequent reduction in the number of men required. It will be noted that a recommendation is made to change the last part of the paragraph under this heading as follows:

Provided, That no employee paid under the provisions of this paragraph shall receive a salary in excess of \$2,400.

It used to be \$2,000

Mr. KELLEY. It is \$2,000 now?

Admiral SCALES. Yes. This change is recommended in order that a chief clerk and purchasing agent, steward, and mechanician for repair of trucks can be obtained of the required ability.

Mr. KELLEY. If we do not allow that increase, how much can this \$390,615.99 be further reduced?

Admiral SCALES, I do not think you could reduce it any. You will note that we want to get more competent men and fewer of them. It is pretty hard to get a good man at \$2,000.

Mr. KELLEY. If you increase this to \$2,400, you probably would not have any fewer men, would you?

Admiral SCALES. Well, that is what we have done already.

Commander TAYLOR. Admiral, may I say a word?

Admiral SCALES. Yes.

Commander TAYLOR. It was recommended that the pay of the chief clerk be increased, by a board at the Naval Academy, which recommended increases in pay for all the clerks on a per diem basis; on

the basis of that the clerks' pay was raised, with the exception of the chief clerk in the commissary department, whose pay could not be raised because it was fixed by statute at \$2,000 a year, although the board which recommended the others also recommended an increase for that particular position.

Mr. KELLEY. You have asked for an increase of pay for how many people? Just give the details again. One chief clerk, from \$2,000—

Commander TAYLOR. From \$2,000 to \$2,400. That will be on a per diem basis; for the present year it is \$1,978.60; and for the coming year we wanted to give him \$2,394.45. Everybody in the commissary department is on a per diem basis.

Mr. KELLEY. This is an outside limit of \$2,000; that is all; you can give him less than that?

Commander TAYLOR. That is correct.

Mr. KELLEY. Now, who else?

Commander TAYLOR. The mechanician gets \$1,978.60.

Mr. KELLEY. And you want to pay him how much?

Commander TAYLOR. \$2,394.45.

Mr. KELLEY. Who else?

Commander TAYLOR. The steward gets \$1,978.60, and that same increase is recommended for him, to \$2,394.45.

Mr. KELLEY. That is about \$1,200 increase altogether, is it not?

Commander TAYLOR. About \$1,200; yes, sir.

Mr. KELLEY. How much will your present pay roll cost you, all told, for the present year in the commissary department?

Commander TAYLOR. How much will it cost us?

Mr. KELLEY. Yes; how much out of this \$397,606 will the commissary department pay roll amount to this fiscal year—the current fiscal year? That is what I am getting at.

Commander TAYLOR. The estimated expenditures will amount to \$246,000.

Mr. KELLEY. You do not mean that you have a \$200,000 surplus in that fund, do you?

Admiral SCALES. That comes about in this way: This appropriation is made to cover all the mess attendants, and people in the midshipmen's mess hall. But they have substituted for those, enlisted men for the Navy. That is about the payroll of the enlisted men. That is what we are going to save, practically, as I understand it.

Now, that is an experiment. You appropriated the money for the whole thing last year, as if we do not have enlisted men we need it; but we are not going to use it, because we are using these enlisted men. These enlisted men are mess attendants, of whom they had a surplus during the war, and they afterwards turned them over to us. That is a very desirable arrangement; the more enlisted men I can get the better I can control them and the better I can do my work.

On the other hand, it is very uncertain how long that is going to last, how long the Bureau of Navigation will be willing to give them to me. If they should take them away I will have to have all of that money; if they do not take them away, I will not need all of that money.

Mr. KELLEY. Well, if the appropriation is made on the basis of their being there I imagine the Chief of the Bureau of Navigation would not take them away. How many of them are there?

Admiral SCALES. There are about 300. I have not the exact number, but there are about 300.

Mr. KELLEY. This, it seems to me, would be a good place to train your bakers and stewards and laundrymen, and all that kind of people. Do not the mess attendants get the value of the training, just as they would if they were at a training school?

Admiral SCALES. As to the mess attendants, that is what they are doing. This is a scheme that I originated there a year ago, and it has worked beautifully as far as the mess attendants are concerned. It would not work as far as the cooks and bakers are concerned, because green men could not be used as cooks and bakers; that would be a mistake.

Mr. KELLEY. Well, you could use them as assistants, could you not, and gradually train them as cooks?

Admiral SCALES. No; if you take them that way, they would be green. That is, theoretically, it would work all right; practically, it would not. Because as soon as you train them, you will have to take them away, and you would have inefficiency by having constant replacements in an important position like that of cook or baker. You can not train a cook or a baker in a few weeks.

Mr. KELLEY. But some of the positions of lesser skill you could.

Admiral SCALES. I think we have done that as to practically all of those of lesser skill. All of those fellows that I have now—cooks and bakers and leading men—in my opinion, require permanence in their rates and positions.

Mr. KELLEY. And how much will your surplus be this year?

Commander TAYLOR. About \$151,000.

Mr. KELLEY. And if we continue this arrangement we can take \$151,000 out of the appropriation?

Commander TAYLOR. Yes, sir; if we can use enlisted men.

Admiral SCALES. The same question came up last year; I do not know whether you recall it; and also the same suggestion was made to take that money out of the appropriation.

Mr. KELLEY. But it was wholly an experiment last year, and now you have had the benefit of the year's experience.

Admiral SCALES. Well, it is less of an experiment, perhaps, but it is not all assured, for the simple reason that we never know how long we are going to have the men. I would like to see that assured. I would like to have you put that into the law.

Mr. KELLEY. Well, we might fix it up with the Bureau of Navigation and have an understanding with them about that.

Admiral SCALES. This last year we had the same proposition up, and Congress decided to give us the money, with the understanding that we would not use it unless we had to.

Mr. BYRNES. May I ask a question? In your dining hall, Admiral Scales, do you assign an officer to each table?

Admiral SCALES. No; there are no officers, except that we have four battalions of midshipmen, and for those four battalions at present we have assigned at each meal three commissioned officers, one in the middle of the mess hall and one in each of the wings. Now,

those men are there to preserve order, to keep the youthful spirits from rising too high at any one time.

Mr. BYRNES. Those are the commissioned officers selected from the student body, are they?

Admiral SCALES. No; those are the commissioned officers of the Navy on duty, with the rank of lieutenant commander.

Mr. BYRNES. And they are supposed to keep order?

Admiral SCALES. They are supposed to keep order, and we always have these commissioned officers at the midshipmen's mess.

Mr. BYRNES. They are not able to keep order, however, are they?

Admiral SCALES. Well, they make a pretty good attempt to do so; they maintain very good order—excellent order.

Mr. BYRNES. How many do you say you have in the dining room?

Admiral SCALES. Three.

Mr. BYRNES. Only three for the whole dining room?

Admiral SCALES. Yes—that is, commissioned officers of the Navy.

Mr. BYRNES. Is it part of the regular program for the students to indulge in any hazing in the dining room?

Admiral SCALES. Well, I would not call it part of the regular program. I think there are quite a few sporadic cases.

Mr. BYRNES. Have you investigated those cases?

Admiral SCALES. All of them, and I have stopped it.

Mr. BYRNES. Have you had any resignations from the academy?

Admiral SCALES. We have resignations all the time.

RESIGNATIONS—HAZINGS.

Mr. BYRNES. I mean have you any figures here that would give you an idea as to the number of resignations at this session, as compared with former sessions?

Admiral SCALES. Well, they are very much fewer this year than they were last year; very much fewer. I can not give you the proportions, but the decrease is very marked. Last year there were large numbers. And I ascribed that to the fact that the war was just over and a good many of them wanted to get back to civil life.

Mr. BYRNES. Men who came in with the idea of serving during the war?

Admiral SCALES. Yes. This year there have been some resignations, but not nearly so many. Now, most of those resignations are due to the fact that the young fellows get tired of Navy life, or do not think they can make the course, or who find they are getting an unsatisfactory record.

Mr. BYRNES. Have you had many who have resigned because of the hazing there this year?

Admiral SCALES. We have had, I should say, three of those.

Mr. BYRNES. Three?

Admiral SCALES. I think so.

Mr. BYRNES. Well, when a man resigns, does he have to assign his reason for resigning?

Admiral SCALES. On account of the hazing, and the situation growing out of that, when I took charge there a couple of years ago, I established the practice that when a man resigned, I saw him personally and questioned him, and then in addition to that I made him

sign a statement as to whether his resignation was due to any one of certain causes, and hazing was amongst those causes. And, as I say, there were three this year.

Mr. BYRNES. Suppose he assigns the reason as hazing, do you ask him to give the details in order that you may investigate it?

Admiral SCALES. Absolutely.

Mr. BYRNES. In the three cases that you refer to, did you make an investigation?

Admiral SCALES. I made an investigation, several investigations. Perhaps I had better go into the history of that, if that is what you want.

Mr. BYRNES. Not particularly. But in those particular cases, you did investigate them?

Admiral SCALES. Yes; every one of them.

Mr. BYRNES. Well, suppose a man assigned as a reason for his resignation that he has been hazed, would you have him remain at the academy pending the investigation?

Admiral SCALES. Surely. But a man—

Mr. BYRNES (interposing). How safe would his life be there under those circumstances?

Admiral SCALES. Perfectly safe.

Mr. BYRNES. Do you think you could induce a young fellow who was resigning because he was hazed to make a statement and then go back to his room that night?

Admiral SCALES. The difficulty about getting a statement of that kind is undoubtedly great. Midshipmen do not like to say that they are being hazed.

Mr. BYRNES. Well, I judged that that is true; and I wondered if any effort had been made to investigate the hazing, having in mind the fact that the average midshipman knows that if he makes a report he will get into serious trouble. You know that there is such a belief on the part of midshipmen, do you not?

Admiral SCALES. Yes, sir. There has been a most serious effort to eradicate all sort of hazing, and a most serious investigation, and with marked results.

Mr. BYRNES. You said that there were only three that resigned, and I wondered if the gentleman from Indiana, on my left [Mr. Wood], had the second one of those three cases; because I have had one in my district who resigned because of hazing this year.

Mr. Wood. Mine was not this year; it was three years ago.

Mr. BYRNES. Well, there are four Members of the House present; and a man from the district of the gentleman from Indiana, and one from my district, have resigned, and I was wondering if you were able to get a frank statement from the boys who resigned as to their reasons for resigning.

Admiral SCALES. No; I do not think so; I do not think it is always frank. In many cases it is; in most cases it is; but in many cases it is not. Of course, I am giving you only my own judgment, and I could not prove that statement.

I asked you a minute ago if I could give you a history of that.

Mr. BYRNES. Yes, certainly; go ahead.

Mr. KELLEY. I think, inasmuch as the matter has been touched upon, Admiral Scales might as well make a complete statement.

Mr. BYRNES. I wanted him to do so, but I felt the other members of the committee might not be interested in it.

Mr. KELLEY. I suggest that you go ahead and ask him for the statement that you desire.

Mr. BYRNES. Very well.

Admiral, I wish you would make a statement as to the three cases you referred to.

Mr. KELLEY. And then as to the whole subject of hazing at the Naval Academy this year.

Admiral SCALES. Yes. As to the three cases, I am giving you my recollection.

Last year, in the first part of the year, there was evidence of hazing brought to me, and it took the rather serious form of a young fellow trying to kill himself. I investigated it, and he would not give any names, so I never got at the actual people involved. But I bent my energies toward preventing it.

So I got from every midshipman in the upper classes at that time in the Naval Academy a promise not to engage in hazing of any kind.

Right here, I want to say that hazing as practiced at the Naval Academy is not physical hazing; it is more like what the midshipmen call "running." Nobody lays a hand on a man; if they do have any physical contact, it would be with something like a broom or a coat stretcher. But it is "running," and requiring them to observe certain rules, and things of that character; that is the nature of the hazing that takes place.

They all gave me this promise, every one of them. And I think they kept it pretty well that year. I at least got no evidence of any further hazing last year.

Along toward the end of the year there were rumors that they were putting the fourth classmen under the showers; but I never could run that rumor down; I never got anything more than a rumor.

This year I had the promise, of course, of the two highest classes; I got it the year before.

Now, the men who had been fourth-class men, or "plebes," as they call it, the year before, became third-class men this year. Those men went off on their September leave; and while they were gone I addressed each one of them a personal letter myself, and called his attention to the law, and that sort of thing, and attached to that letter a statement to be signed by him, in which he stated that he had read the law and knew what it was, and that he understood that his oath on entering the Naval Academy absolutely precluded him from hazing, or running, or unauthorized interference with any member of the fourth class. Now, they all signed that. So that I had them all under a promise.

They did not keep that promise. It was hardly to be expected that all the boys would; most of them did; many of them did not. And then began quite a little hazing, especially, as you say, in the mess hall.

About the middle of October, I sent for the seniors—that is, the first class, the cadet officers—and told them that I knew this thing was going on, and that I knew that they were the people who could stop it, and that they had the best opportunity of stopping it; and

that I demanded that they should stop it. Therefore, I told them to go off and come back to me with a statement that they would, as a class, as the seniors, stop that sort of practice.

They came back and stated that they could not make that promise.

Mr. KELLEY. I did not quite get that statement.

Admiral SCALES. They stated that they could not make that promise; they did not think they could carry it out.

Thereupon, I took some very drastic steps. I separated all the fourth-class men. I relieved these upper senior classmen from any military authority whatsoever; and I practically started two Naval Academies, one alongside of the other.

Well, of course, that stopped any hazing; they never got anywhere near enough to the fourth-class men to haze them; but it was a very undesirable condition for a military school. My object in taking it was to enforce the law.

Well, that thing lasted about four weeks. By the way, I also stopped their privileges. I upset their life entirely—absolutely. And I did it as a coercive measure.

Well, they stood it about four weeks; and then they came to me—or rather, I sent for the class, and gave them a talk. I called their attention to what they were doing, and to what it meant, and how serious it would be. And I called their attention to the fact also that I had just started, and that I felt sure that Congress and the country wanted the law enforced, or they would not want it on the statute books, and that I was there to enforce it; so that the matter had just begun, so far as I was concerned. I put it up to them again; whereupon they went off, and came back and gave me the identical promise that I had demanded of them in the first place.

As soon as they did that, I put them back on their old basis, and started them off merrily. The steps that were taken were very efficacious, giving them a better start and a better spirit; and there is no hazing at the Naval Academy now.

Mr. BYRNES. When was that action taken?

Admiral SCALES. I took that action on the 25th of October—either the 25th or the 26th. And I put them back somewhere between the 20th and 23d of November; it was just about a month later.

Mr. BYRNES. And you have had no cases reported to you where a man has received any physical injury?

Admiral SCALES. None whatever. There is no physical injury. But there has been that violation of the law—

Mr. BYRNES (interposing). Well, I had a case called to my attention where a boy resigned. I should say it was in the middle of December; and the reason he assigned to his father, in asking for permission to resign, was that, in the dining room, one of the boys dropped a plate or a saucer, and then, taking the broken pieces, threw them at this boy, striking him under the eye. And he complained to the officer of the day about the conduct there in the dining room, which resulted in his receiving this injury; and as a result of that, that night a crowd came to his room and severely beat him. And the injunction that he placed upon his father was that he should say nothing about it to anybody who would communicate it to the academy, until he could get away from the academy, because he

would not feel safe after the treatment he had received, if that information were communicated to the academy. And until he could get away, he enjoined his father not to say anything about it. And consequently I did not take the matter up.

The second letter from the boy, which was addressed to his father, stated that his roommate was beaten, apparently for no reason other than that he was in the room with this boy who had been hit in the dining room.

I informed his father that, under the circumstances, I could not advise him to refuse permission to his boy to resign; I advised him that, in any event, it was certain that his usefulness at the academy was at an end, because if he reported the facts, I did not believe that his future life would be happy there.

And while I have no idea that you can ever abolish, at the Naval Academy, or any other school, hazing of the kind that you mentioned—and personally, I see no great objection to that kind of hazing—I do believe that where, in the Naval Academy, a boy is struck in the dining room with china, and then, because he reports that, a crowd comes to his room at night and beats him when he is unarmed, it is a rather serious thing. If they give a fellow a chance to defend himself, there is no great cause for complaint; but that may result in some man taking a pistol to his room and shooting some of those gentlemen who have the lynching spirit in them; and it would cause quite a lot of trouble at the Naval Academy.

And I realize that some of the boys may, for the sake of getting out of the academy and obtaining permission from their fathers to do so, make a statement of fact, which, upon investigation, might prove to be exaggerated, to say the least. And yet it presents a serious situation, because, in justice to the boy, I could make no complaint about it, inasmuch as he feared for his safety.

And the boy leaves the Naval Academy, and the chances are that you are never informed about him; and I wondered if there were any other cases of a similar nature.

Admiral SCALES. Now, Mr. Byrnes, in justice to the Naval Academy, I might say that I think a person who makes statements like that ought to be called on to prove them. And with all due respect, I feel pretty confident that if anything of that kind had occurred I would know it.

Mr. BYRNES. Well, I see great difficulties in the way of your knowing it. If a boy takes that position it would be difficult to find it out.

Admiral SCALES. True—except when it comes to a question of physical injury. It is quite true that they can do a lot of things, and they can ostracize a fellow and make him feel terrible about it.

Mr. BYRNES. Well, that is nothing, or should be nothing, in the life of an American boy.

Admiral SCALES. Let me tell you, that that is the most powerful weapon that they can use against a boy.

Mr. BYRNES. Well, it does not amount to physical injury, and he can get over it. My only objection is to a form of hazing of a boy that results in physical injury, and where that is done, to the officer of the day countenancing it.

Admiral SCALES. Well, I can assure you that no officer of the day would countenance it. I also can assure you that with the system of medical supervision that we have, it is next to impossible for a boy to get anything in the way of injury more serious than a black eye, and almost impossible for him to get a black eye, without the officer knowing it.

DEPARTMENT OF BUILDINGS AND GROUNDS.

Mr. KELLEY. The next item is, on page 93, Department of Buildings and Grounds, in which you ask for \$146,438.40. That is the same as you had for this year. Will you make a statement just what this covers: "Necessary building attendants"—how many employees does that cover, and what services do they perform?

Commander TAYLOR. It covers the building attendants of the various academic buildings, to take care of cleaning buildings, cleaning the blackboards, and all sorts of janitor work in those buildings, and in addition to that, it includes the building attendants in the midshipmen's quarters, who take care of the cleaning of the quarters. That cleaning does not include the cleaning of the midshipmen's rooms, which they do themselves, the ordinary sweeping out and the arranging of the things in their rooms; but it includes the cleaning of the windows and the cleaning of the corridors, and everything else in the buildings.

Mr. KELLEY. Yes; it is almost entirely janitor service?

Commander TAYLOR. That is what it is; janitor service.

NUMBER OF EMPLOYEES.

Mr. KELLEY. How many employees are there on the roll?

Commander TAYLOR. I think there are 128. I would like to correct that in the record.

NOTE.—The exact number of building attendants is 141.

Mr. KELLEY. Is that nothing else but janitor service?

Commander TAYLOR. That is all. I beg your pardon; there is one messenger in the superintendent's office.

Mr. KELLEY. Yes; that is mentioned specifically in the item. What pay do these janitors receive?

Commander TAYLOR. They receive laborer's pay, which is \$3.68; they do not all receive that; but they receive laborer's pay, the maximum of which is \$3.68.

Mr. KELLEY. Some of them are women and some are men?

Commander TAYLOR. No, sir; they are all men.

Mr. KELLEY. What is the obligation under the item, Department of buildings and grounds this year? How much do you expect to spend out of this \$145,436.80?

Commander TAYLOR. We will spend practically all of that, because the wage schedule, which we have referred to several times, has increased the pay of the building attendants to \$3.84; and we have not asked for any increase of that amount.

Mr. KELLEY. You have decreased the numbers, have you?

Commander TAYLOR. Well, we do not pay them all the highest wage; we take care of it in that way.

Mr. KELLEY. Is there a minimum pay?

Commander TAYLOR. Yes, sir; there is a minimum for every wage on the schedule. The minimum pay for the building attendants, I think, is \$2.76; that is, in most cases, the minimum pay is \$1.04 less than the maximum.

Mr. KELLEY. Then, if the maximum were \$3.68 a day, the minimum would be \$2.64.

Commander TAYLOR. Well, the maximum now has gone up from \$3.68 to \$3.84.

Mr. KELLEY. And you deduct \$1.04 from that for the minimum?

Commander TAYLOR. It would be \$2.80.

CURRENT AND MISCELLANEOUS EXPENSES.

Mr. KELLEY. The next item is "Current and miscellaneous expenses of the Naval Academy." You had last year \$110,000, and you are asking for the same amount next year.

Under that heading I see that you mention, among other things, text and reference books for the use of instructors. Have you itemized this paragraph by clauses?

Commander TAYLOR. No, sir.

Mr. KELLEY. Have you a statement showing how it was spent by any headings that you carry on your books?

Commander TAYLOR. No, sir; but I can furnish that.

Mr. KELLEY. So that the amounts will run by headings as they are printed in this bill?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. For instance, "Text and reference books for the use of instructors"?

Commander TAYLOR. Yes, sir; and "Stationery, blank books, and forms."

Mr. KELLEY. And so on, taking the different clauses or headings all the way through the paragraph?

Commander TAYLOR. Yes, sir.

Admiral SCALES. Well, you will have to give an estimate for the next year as to that. I mean you asked for the obligation. Commander Taylor can only give you an estimate as to that.

Mr. KELLEY. Well, the amount estimated is the same as the amount appropriated for 1920, and he can give you the actual expenditures for that year.

Admiral SCALES. Yes, sir.

Mr. KELLEY. That will probably be better.

Commander TAYLOR. That is, you want the actual expenditures for this present year?

Mr. KELLEY. No; for 1920; up to last July, because the amount for that year was the same.

Commander TAYLOR. For the fiscal year 1920. Well, as I recollect, we spent practically all of that up to last July.

Mr. KELLEY. Well, if you will apportion that by clauses, that will give us the information we want.

(The statement referred to is as follows:)

CURRENT AND MISCELLANEOUS EXPENSES, 1920.	
Text and reference books for use of instructors-----	\$1, 154. 14
Stationery, blank books and forms, models, maps, and periodicals-----	17, 498. 97
Apparatus and materials for instruction in physical training and athletics-----	19, 842. 66
Expenses of lectures and entertainment, not exceeding \$1,000, including pay and expenses of lecturer-----	73. 00
Chemical, philosophical apparatus and instruments, stores, machinery, tools, fittings, apparatus, and material for instruction purposes-----	<u>71, 130. 63</u>
Total appropriation-----	110, 000. 00
Total expenditures-----	109, 699. 40
Balance-----	341. 60

PURCHASE, BINDING, AND REPAIR OF BOOKS FOR LIBRARY.

Mr. KELLEY (continuing). The next item is purchase, binding, and repair of books for the library, \$2,500; that is the same as this year. Why do you carry a small item like that?

Admiral SCALES. Well, there are several small items like that that have always been carried. I think it is a good idea, too.

Mr. KELLEY. What is the significance of this language in this item:

To be purchased in the open market on the written order of the superintendent?

Admiral SCALES. Because that is the only way we can get the books for the library. If we wanted certain books, under the Navy Department rules we would have to open bids, and have them gotten under the Navy Department specifications, and it would take us months and months to get them, when we wanted the books right away; that is what we would have to do if that language was not in there.

Mr. KELLEY. Unless that language was in there you would have to call for bids for even one single book?

Admiral SCALES. Yes, sir; and that language is very important.

Mr. KELLEY. Well, this is so that the superintendent, if he wants to, can order such books as ordinarily would not be obtained in any other way—up to \$2,500?

Admiral SCALES. Yes, sir.

Mr. KELLEY. Out of what fund do you purchase books for the library on a large scale?

Admiral SCALES. That is all.

Mr. KELLEY. Is this all the money you have available for books in the library?

Admiral SCALES. Yes; that is all that is available for books in the library. There is money for the purchase of books for instructors; but when it comes to purchasing books for the library, that is all that we have.

Mr. KELLEY. \$2,500 a year; that keeps the library up pretty well, does it?

Admiral SCALES. Well, we are behind in certain things, but we keep up the technical part of it all right. Of course, you must not lose sight of the fact that in each instruction department they can get such textbooks as they need.

Mr. KELLEY. Those are the books that the students use, are they?

Admiral SCALES. No. They are reference books and textbooks, under this heading "Miscellaneous." But there is very little of that done; it does not cost but a few hundred dollars.

Mr. KELLEY. Then this is the only fund out of which you can keep up the stock of the books in the general library?

Admiral SCALES. Yes; and that is a pretty big library too. We have 57,000 volumes.

FOR EXPENSES OF BOARD OF VISITORS.

Mr. KELLEY. The next item is, "For expenses of the Board of Visitors to the Naval Academy," for which you had \$3,000 last year, and ask for \$3,000 for next year? Who are the Board of Visitors?

Admiral SCALES. The Board of Visitors is a body composed of 16 people, as I recall it. There are six appointed by the President, and five from each House of Congress, appointed respectively by the President of the Senate and the Speaker of the House.

Mr. KELLEY. It is an official body, then?

Admiral SCALES. Yes, sir; an official body.

Mr. BYRNES. Let me ask you this question: There are a number of very able educators on the Board of Visitors; they impress you very much by their interest in the academy. But like all things, when they leave the academy, I think they lose somewhat their interest in it. For example, I received a report from the board which I was called upon to sign. And I suppose the same thing is true of every educational institution in the country; they ought to devise some way of reaching a determination in those matters before they leave the academy, and have some real agreement as to their action, instead of having one man frame the report.

I suppose, as it is now, no attention is paid to the thing, unless you gentlemen at the academy pay some attention to it.

Admiral SCALES. Yes, sir; we pay attention to it, as an indication of what outsiders think of us; and it sometimes gives us a point of view showing where we can make some improvement. And also we pay attention to it, because the Navy Department pays attention to it.

Mr. BYRNES. Well, it struck me that those educators brought the views of outside institutions there to the academy at that conference; and particularly on this question of the admission or entrance of the boys to the academy, I was very much impressed by the attitude of the educators of the country on that Board of Visitors.

Mr. KELLEY. The seven men who are appointed by the President are among the leading educators of the country, are they?

Admiral SCALES. That is the idea, that they should be.

Mr. KELLEY. Seven members of the board are appointed by the President; and four are appointed from each House of Congress, by the respective chairmen of the Committees on Naval Affairs; and the law provides that they shall have \$3,000 a year appropriated for their expenses; and this item covers that. The law provides that they are to receive not to exceed \$5 a day and actual traveling expenses over the shortest route from their homes.

CONTINGENCIES FOR SUPERINTENDENT OF ACADEMY.

The next item is, "For contingencies for the superintendent of the Academy, to be expended in his discretion." We appropriated \$3,000 for this item for this year, and \$3,000 is asked for next year. What do you use that for?

Admiral SCALES. We use that in keeping up the superintendent's house, the equipment of it, and the entertaining that is of an official nature.

Mr. KELLEY. This is the sum that is set aside for official entertainment, is it?

Admiral SCALES. For official entertainment, and things of that kind.

Mr. KELLEY. And you use it all, do you?

Admiral SCALES. Yes, sir.

Mr. KELLEY. So far as you know, is the Naval Academy the only institution connected with the Navy where a fund is set aside for entertainment?

Admiral SCALES. No; I think not. Of course, the Secretary of the Navy has a certain fund of that kind.

Mr. KELLEY. Well, he has a certain fund which he can apportion to ships, I think, for official entertainment on board ship.

Admiral SCALES. Yes; he does that.

Mr. KELLEY. But for the commandants of the navy yards, there is no such fund.

Admiral SCALES. That is done in this way, as I recall it: When I had the command at the Great Lakes, for instance, there was a certain small sum set aside from the Secretary's fund, for absolutely necessary things; for instance, if I had a foreign visitor at Great Lakes, I would get an allotment from the Secretary of the Navy.

Mr. KELLEY. To meet the expenses of that particular entertainment?

Admiral SCALES. Yes; of that particular entertainment.

Mr. KELLEY. If some distinguished person from abroad, some member of a royal family, or some naval officer, or somebody like that, was required to be entertained at the Great Lakes, the commandant of that station would notify the Secretary of the Navy, and ask for an allotment for that purpose?

Admiral SCALES. Yes; that is the way it was done then; but a little before that there had been a small allotment; I think he had been given \$1,000 a year.

Mr. KELLEY. I think that fund is confined to State, national, or some international function; that it is not applicable to merely local affairs, like entertaining the mayor of the city where the institution is located.

Admiral SCALES. Yes.

Mr. KELLEY. The commandant would have to do that out of his own pocket.

Admiral SCALES. You were speaking then of the Secretary's fund?

Mr. KELLEY. Yes.

CONTINGENCIES FOR COMMANDANT OF MIDSHIPMEN.

The next item is, "For contingencies for the commandant of midshipmen, to be expended in his discretion, \$1,000." What is that for?

Admiral SCALES. That is the same thing, in a general way. He is the second in command, and he has expenses that he can hardly meet from his pay; that is, official obligations he is called on to meet, expenses that he could not meet from his pay.

Mr. KELLEY. Like what, for instance?

Admiral SCALES. Entertainment, principally.

Mr. KELLEY. Entertainment of whom?

Admiral SCALES. Of people who come there.

Mr. KELLEY. I see. Who is the commandant of midshipmen?

Admiral SCALES. Capt. Claverias.

Mr. KELLEY. And when the parents of the midshipmen come there, does he entertain them sometimes?

Admiral SCALES. Yes.

Mr. KELLEY. And this is the fund out of which he does that?

Admiral SCALES. It is the fund out of which he does that. And he entertains the midshipmen themselves; that is, when it is necessary for him to have the midshipmen there, he has them at luncheon, or something of that kind; those expenses come up, and this is the fund out of which they are paid.

Mr. KELLEY. What is the pay of the commandant of midshipmen? He is a naval officer assigned to that position, is he?

Admiral SCALES. Yes, sir; he has the pay of his rank in the Navy.

Mr. KELLEY. I see that you are asking for \$200 more under this item than last year; you are asking for \$1,200, instead of \$1,000, for this fund of the commandant of midshipmen?

Admiral SCALES. Yes, sir; \$200 more, to make it an even \$100 a month.

Mr. KELLEY. That is the only change in that item?

Admiral SCALES. That is the only change.

Mr. KELLEY. In all, for current and miscellaneous expenses, you are asking for \$119,700; for this present year you have \$119,500.

MAINTENANCE AND REPAIRS.

The next item is, "Maintenance and repairs, Naval Academy." Under this item you had for this year \$1,205,000, and you are asking for the same amount for next year.

Now, is there any way that you can apportion that for the committee, and divide it up a little, so that we can see how it will be used?

Commander TAYLOR. Yes, sir; I will have that inserted in the record. But I can probably put it all under those headings given in that item.

(The statement referred to is as follows:)

Repairs of public buildings (including care) -----	\$358,000
Wharves (water front)-----	12,000
Walls and boundary line-----	5,000
Improvements, repairs, and fixtures-----	139,000
Books, periodicals, etc-----	500
Fire apparatus-----	3,000

Machinery, including plant appliances.....	\$93,000
Horses and horse-drawn vehicles.....	34,000
Seeds and plants.....	500
Tools and repair of same.....	18,500
Stationery	3,500
Furniture	20,000
Coal	265,000
Oil, gas, etc.....	1,000
Attendance, power plant.....	93,000
Telephone, telegraph, and clock systems.....	8,500
Incidental labor.....	45,000
Flags, awnings, and advertising.....	1,000
Fuel, bandsmen's quarters.....	3,500
Inspectors, draftsmen, etc.....	8,000
Musical and astronomical instruments.....	6,000
Leave, supervision, and holiday.....	87,000
Total	1,205,000

Mr. KELLEY. In 1920 you had \$950,000 under this item. Did you spend all of that?

Admiral SCALES. We had an emergency sum that year in addition to that.

Mr. KELLEY. That was the year before; and in 1919 you had a lot of temporary buildings there, did you not?

Commander TAYLOR. Yes, sir; but I think that in 1920 we had an appropriation of \$150,000 in addition to that.

Admiral SCALES. Yes; we did. We had a \$150,000 emergency appropriation, if you will remember, Mr. Kelley, to meet emergency conditions that arose during the war.

Mr. KELLEY. Yes; I believe we did give you \$150,000 for additional employees that year.

Admiral SCALES. Yes; for additional employees.

Mr. KELLEY. And the necessity for that \$150,000, of course, no longer exists.

Admiral SCALES. That no longer exists. But my recollection is that in last year's appropriation, which was \$1,205,000, we provided for all of that; we cut out any idea of an extra appropriation, and put it all under that one item; did we not, Commander Taylor?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. Last year you were given \$150,000 more; and this year you were given \$160,000 more than the combined sums that you had last year; and next year you are asking for the same as this year?

Admiral SCALES. Yes, sir.

Mr. KELLEY. What is the difference between the maintenance and the repairs? What is a maintenance charge, and what is a repair charge?

Admiral SCALES. I do not think there is much difference; they are always under the same heading, are they not, Commander Taylor?

Commander TAYLOR. Yes, sir; a maintenance charge is one for upkeep and operation, whereas a repair charge is a charge for repairs. In other words, take the boiler plant, for instance; the maintenance charge there is the operation of the plant and the pay of the men; the repair charge is the necessary wear and tear, and the repairs resulting from that. In other words, it is a labor and material charge.

Admiral SCALES. Well, under what heading does a coal bill come, Commander Taylor?

Commander TAYLOR. Under maintenance; in other words, that is material charge for operation.

Mr. KELLEY. This includes heat, light, and power?

Commander TAYLOR. This includes the operation of the entire plant.

Mr. FRENCH. If the furnace boiler, for instance, should blow up, the item of replacing it would be repairs?

Commander TAYLOR. Yes, sir.

Mr. FRENCH. But the running of the boiler is maintenance?

Commander TAYLOR. Yes, sir; the operation and running of it is maintenance.

Mr. KELLEY. And the pay of the firemen?

Commander TAYLOR. Yes, sir; you might say that operation comes under maintenance, and repairs or replacements come under repairs.

Mr. KELLEY. How about telephone operators?

Commander TAYLOR. Telephone operators come under the appropriation, "Pay of the Academy."

Mr. FRENCH. The smashing of a window would mean an item of repairs, and the washing of the windows would be maintenance?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. One of the clauses under this item of "Maintenance and repairs, Naval Academy," is "for books, periodicals, maps, models, and drawings." Would not that authorize you to purchase books for the library?

Admiral SCALES. No; we do not do it, at least.

Mr. KELLEY. This is books for the students, and for the different departments, is it—technical books?

Commander TAYLOR. We do not buy any for the students; they buy their own.

Mr. KELLEY. Well, what is this language for that I have just read?

Commander TAYLOR. That is for the offices.

Mr. KELLEY. It is not for the library?

Commander TAYLOR. No; you might say it is for the administrative officers.

Mr. KELLEY. How much do you get from the Bureau of Yards and Docks for maintenance and repairs of buildings?

Commander TAYLOR. Nothing.

Mr. KELLEY. Do they not repair your wharves?

Commander TAYLOR. No, sir.

Admiral SCALES. If they have any money for that purpose, we do not know it.

Mr. KELLEY. Well, does not the Bureau of Yards and Docks make any repairs on the docks down there? Do you not get any money for that purpose?

Admiral SCALES. Not so far as I know.

Commander TAYLOR. We have gotten at times small sums from the Bureau of Yards and Docks for certain purposes, where they did not have the money at the Naval Academy, and it was absolutely necessary to have the work done. For instance, when I first went there, we got several thousand dollars for dredging, which was paid for from one of the appropriations of the Bureau of Yards and Docks.

Admiral SCALES. How long ago was that?

Commander TAYLOR. Three years ago.

Mr. KELLEY. Did you have any last year?

Commander TAYLOR. No, sir.

Mr. KELLEY. Was not the repair of that wharf or dock that you use there paid for by the Bureau of Yards and Docks?

Commander TAYLOR. No, sir.

Mr. KELLEY. That all comes out of the Naval Academy appropriations, does it?

Commander TAYLOR. Yes, sir; unless there is a specific appropriation made under "Public works."

Mr. KELLEY. Well, it is not carried in that way; that is a lump-sum appropriation.

Commander TAYLOR. Well, we get an allotment out of "Maintenance, Bureau of Yards and Docks," each year; but it is only for the purpose of operating and repairing our motor vehicles.

Mr. KELLEY. Yes; that is it—trucks and automobiles; the Bureau of Yards and Docks takes care of that?

Commander TAYLOR. Yes, sir.

NUMBER OF AUTOMOBILES.

Mr. KELLEY. How many automobiles do you have there?

Commander TAYLOR. We have 10 trucks and 3 passenger automobiles.

Mr. KELLEY. Who takes care of the buildings and grounds at the experimental laboratory?

Commander TAYLOR. That is taken care of by the head of the engineering experiment station.

Mr. KELLEY. And you get that money from the Bureau of Yards and Docks?

Commander TAYLOR. Yes; and I intended to add that he gets the money from the Bureau of Yards and Docks for all the work that he has to do.

Mr. KELLEY. Is that building heated from your central plant?

Commander TAYLOR. No, sir.

Mr. KELLEY. They have a heating plant of their own, have they?

Commander TAYLOR. Yes, sir; they have their own heating plant.

Mr. KELLEY. And I suppose that the Bureau of Yards and Docks would furnish the coal there for its maintenance?

Commander TAYLOR. They might; and yet it might be taken care of by the Bureau of Engineering.

Admiral SCALES. It is between the two—the Bureau of Yards and Docks and the Bureau of Steam Engineering.

Mr. KELLEY. You do not do it?

Admiral SCALES. No, sir; we do not do it.

Mr. KELLEY. You do not have any of the expenses for the maintenance of that institution at all?

Admiral SCALES. No; except that you appropriate a certain amount each year—

Mr. KELLEY (interposing). For the experiment station itself?

Admiral SCALES. For the experiment station itself.

Mr. KELLEY. Oh, that is under Steam Engineering?

Admiral SCALES. Yes, sir.

Mr. KELLEY. And it does not come under the Naval Academy?

Admiral SCALES. No, sir.

Mr. KELLEY. And Admiral Griffin administers that, too?

Admiral SCALES. He administers that. The military command is under me, of course; I am in command of the whole thing there; and some of the money is under Engineering and some of it is under Yards and Docks.

Mr. KELLEY. And all of the clerical force is in your office?

Admiral SCALES. No, sir; all of the clerical force is on the other side. It is only under me in a military sense; in an operating sense it is not.

Mr. KELLEY. Will you insert in the record a statement detailing, so far as your books will enable you to do so, by clauses, the different items of expenditure in this item?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. Possibly it would be just as well, and illuminating to the committee, if you would put it down under three heads: Labor, material, and coal. You can at least give us the information under those three headings.

Commander TAYLOR. Yes, sir; I will do so.

(The statement referred to is as follows:)

Labor	\$610,000
Material	330,000
Coal	265,000
Total	1,250,000

Mr. KELLEY. I think I recall that last year you had quite a definite special thing that you wanted to do under this item, like screening.

Admiral SCALES. Yes.

Mr. KELLEY. If that work has been done, why can we not reduce this this year? I notice that last year the principal items which make up the \$160,000 additional which we gave you last year were \$55,000 for furniture for the midshipmen's rooms, and, second, the screening of Bancroft Hall; those were the two chief items making up that \$160,000. Now, I suppose both of those things have been done?

Commander TAYLOR. Part of the screening has been done; it is not yet all installed, because we had considerable difficulty in getting the material.

Mr. KELLEY. Well, how much have you spent out of this fund so far?

Commander TAYLOR. I would rather put the exact figures in the record.

NOTE.—Approximately one-fifth of the screening has been completed, at a cost of \$3,871.87. Delay in completion has been due to inability to get proper materials.

Mr. KELLEY. Now that the \$55,000 worth of furniture has been obtained, and the material for the screening, why can we not cut out that \$160,000 this year?

Commander TAYLOR. In the first place, I have figured that it would take \$75,000 more for coal next year than last year.

Mr. KELLEY. It will take less than this year, because coal is going down in price.

Commander TAYLOR. Well, I am taking the basis of last year's prices, and, of course, that is the only thing we have to go on.

Mr. KELLEY. I do not think you need to allow anything extra for coal. I think all of your labor will come down and your material will come down.

Commander TAYLOR. Our coal has not yet come down, sir; we are paying \$9.10 for soft coal.

Mr. KELLEY. I thought the Navy was getting coal for a little over \$7.

Commander TAYLOR. \$9.10 is what we are paying.

Mr. KELLEY. Do you buy it from the Navy?

Commander TAYLOR. Yes, sir.

Admiral SCALES. You mean that is what they are charging you?

Commander TAYLOR. Well, that is what goes on the books—\$9.10—instead of something over \$6, as it was last year.

Mr. KELLEY. I think we can cut out that \$160,000 for next year; do you not think so, Admiral?

Admiral SCALES. I do not think so. I would like to go over the figures with you showing how it is made up.

Mr. KELLEY. Well, there are those two items that were put in last year for specific purposes—\$55,000 for furniture and then the screening of Bancroft Hall.

Admiral SCALES. You could cut it so far as the furniture is concerned. Am I right about it, Commander Taylor?

Commander TAYLOR. Yes; except that that \$55,000 for furniture puts in certain additional furniture, which will now have to be kept up by the Government and which will require an annual expenditure.

Mr. KELLEY. Yes; but then you would not need \$160,000 to do that for the first year after you have put the new furniture in?

Admiral SCALES. Well, we did not spend \$160,000 for that.

Mr. KELLEY (continuing). Unless the boys are pretty rough on the furniture.

Commander TAYLOR. I am prepared to say that they are.

Mr. KELLEY. I think we had better cut that \$55,000 out, had we not?

Commander TAYLOR. No, sir; I do not think so, unless the price of coal goes down. We will have to pay \$75,000 extra for coal alone. I am figuring this on the basis of last year.

Mr. KELLEY. Well, if you find from the Bureau of Supplies and Accounts that coal has gone down, you will not need that extra amount?

Commander TAYLOR. Well, if it goes down to \$6.17, we can cut most of that out, but if it has not gone to that, we can not cut it out.

Now, that is figured on the amount of the coal that we used last year; and last year we did not have sufficient heat down there, due to the inadequate boiler capacity. We got an appropriation last year for an addition to the power plant, and we have that under construction now. The boilers have been installed, and the contract is about to be let for the balance of the installation.

That provides for 37½ per cent additional boiler capacity, which, in itself, will require an expenditure, not only for coal, but also for the upkeep of that additional boiler capacity.

So far this year, we have had a mild winter, and there have been no complaints, until the last two or three days. I do not know that the admiral has received any, but I get them by the dozen, because I am supposed to furnish heat.

Admiral SCALES. I have had quite a few.

Mr. KELLEY. Well, the extra cost of maintaining the power plant would not be anything to speak of, would it?

Commander TAYLOR. It would be about \$10,000 a year.

Mr. KELLEY. Just the maintenance of the additional boilers?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. What does your total power plant cost you for maintenance?

Commander TAYLOR. I think it is in the neighborhood of several hundred thousand dollars.

Mr. KELLEY. Just for maintenance?

Commander TAYLOR. Well, for maintenance and repairs; we combine those two items together on that appropriation.

Mr. KELLEY. Well, on those boilers that you are just going to put in there, you will not need any repairs?

Commander TAYLOR. Well, we have to have our firemen.

Mr. KELLEY. How many extra firemen will they require?

Commander TAYLOR. We will have to have three firemen a day.

Mr. KELLEY. In addition to the men you had in the place before?

Commander TAYLOR. Yes; we have to have one fireman for the three boilers, and three shifts a day, and on very cold days we will have to have an additional man. It will probably average three men a day the year around.

Mr. KELLEY. Outside of the firemen, what will those additional boilers cost you?

Commander TAYLOR. Outside of the firemen, we will have to have a man looking after the auxiliary machinery, the fans, etc.

Mr. KELLEY. Because of those three additional boilers?

Commander TAYLOR. Yes, sir; this is an extension to the power house which has its own equipment for the operation of those boilers.

Mr. KELLEY. Are there any other expenses excepting those?

Commander TAYLOR. None beyond the expenses of cleaning, and perhaps a few minor repairs and replacements.

Mr. KELLEY. What will the firemen and the other man at the power house get?

Commander TAYLOR. Well, there will be five men; and the firemen get a little under \$5 a day.

Mr. KELLEY. Well, \$10,000 would not be far out of the way, at that rate?

Commander TAYLOR. No, sir. I went into that myself, and I allowed very little for replacing the boilers, etc.

Mr. KELLEY. Well, outside of the extra cost of coal, what other expenses will there be?

Commander TAYLOR. Well, we will have a certain increase in the amount of the coal; we have three more boilers to take care of in there.

Mr. KELLEY. Well, you will not use all of those three boilers all the time; you are getting along now without any of them?

Commander TAYLOR. We are not getting along; we are working our eight boilers to the maximum, and we do not get a chance to clean those, as required by regulations.

Mr. KELLEY. But you will not need to use them all at once?

Commander TAYLOR. No; we will need them about six or seven months.

Mr. KELLEY. If you had three boilers you would probably have more time to clean those that you are not using.

Commander TAYLOR. No, sir; you would not think so if you heard the complaints that I get for inadequacy of heat.

Mr. KELLEY. Well, you will not take these three additional boilers and run them all the year, will you?

Commander TAYLOR. No; we will not run them all the year. We have to let a boiler down to clean it and examine it; and that boiler is put out of commission, and after that is back in commission another one is put out, and so on.

Mr. KELLEY. Well, outside of the coal, the \$160,000 could come out, if there is no extra cost except for coal?

Commander TAYLOR. No, sir; we have got to have more coal.

Mr. KELLEY. Well, I say, outside of the extra cost of the coal.

Commander TAYLOR. Yes, sir; but there are two elements that come in there. One is the increase in the prices of coal and the other is the increase in the amount consumed.

Mr. KELLEY. Well, if you put out of commission a boiler when you clean it you will not have all three boilers in use all the time.

Commander TAYLOR. No, sir; in the wintertime we will have those three boilers in commission.

Mr. KELLEY. Well, how much coal will you use because of those three additional boilers?

Commander TAYLOR. On a day like to-day we furnish—

Mr. KELLEY (interposing). I mean how many tons of coal extra will you use?

Commander TAYLOR. I was going to say that we furnish 140 tons a day with the eight boilers that we have, and three-eighths of that, or perhaps one-quarter of that, would be additional coal that we would burn if we had those boilers in cold weather, and a quarter of that would be 35 tons—that is, roughly, about \$300 or \$350 a day—which would probably extend over a period of about six months in the year.

Mr. KELLEY. How much would that cost in a year?

Commander TAYLOR. \$63,000.

Mr. KELLEY. For additional coal?

Commander TAYLOR. Yes, sir; and that is on the basis that we are paying for coal now.

Mr. KELLEY. You figure that you would burn a quarter more of coal in the three extra boilers?

Commander TAYLOR. Yes, sir. Of course, as a matter of fact, it is three-eighths more; but I cut it down to one-quarter, because there would be times—

Mr. KELLEY (interposing). Would it not be three-elevenths?

Commander TAYLOR. No, sir; three-eighths of what we consume now. We have eight boilers now and we are adding three, so that we would increase our consumption by three-eighths of our present consumption.

Mr. KELLEY. If you kept all of your present boilers going all the while?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. And at the same rate that they are burning coal now, when you are crowding them to full capacity?

Commander TAYLOR. Well, we can not help but crowd them to full capacity.

Mr. KELLEY (continuing). And then crowd the new ones to full capacity; it would be three-eighths.

Commander TAYLOR. No, sir—

Mr. KELLEY (interposing). I guess that would be figuring it a little too high, if we figure it in that way, would it not?

Commander TAYLOR. No, sir; as a matter of fact, we can not run those old boilers much over the rated capacity to-day. If we could run those boilers over the rated capacity, we could increase our consumption and would not need the additional boilers.

Mr. KELLEY. Well, if we gave you \$63,000 for the additional boilers, you would be all right, would you not?

Commander TAYLOR. Well, if there was a guaranty that the price of coal will come down.

Mr. KELLEY. Well, I would not put it as strong as that; but of course we have to legislate on the general tendency of prices.

Commander TAYLOR. Yes; I understand that.

Mr. KELLEY. And everything else is coming down very markedly, until you get into the retail stores. But where you buy at wholesale everything is coming down; food is coming down in price.

Is there anything more involved in this \$160,000?

Commander TAYLOR. There is a good deal turned back, Mr. Chairman.

Mr. KELLEY. Yes; but we do not want to appropriate for anything to be turned back into the Treasury.

Admiral SCALES. But Commander Taylor has some further considerations to submit on this matter.

Commander TAYLOR. We stated last year that part of that \$160,000 was due to the increased activities of the academy. Now, there will be just as many activities next year, or a little more, than there are this year.

Mr. KELLEY. Will you mention some of those activities?

Commander TAYLOR. Well, we have a new swimming school, which is not quite ready for operation. Last year there was an appropriation for a water-purification plant. And, of course, we put in commission this fall the new seamanship and navigation building. Now, those three things will require additional funds for their maintenance and upkeep:

As to the swimming pool and the purification plant, they are in addition to what we had last year; but our increased activities last year were part of that \$160,000, and we have those same activities with two more coming on.

Mr. KELLEY. Well, there is provision in other places in the bill for those; you have the janitors, and you have all the watchmen and attendants, and everything of that kind. What more expense is there in connection with those, except the heat?

Commander TAYLOR. Well, there are any number of small expenses which, in the course of the year, mount up, such as breaking windows and doors getting out of whack, and so on.

Mr. KELLEY. Well, you can economize enough in other places to provide for repairing your doors.

Commander TAYLOR. I just put those in as the new expenses. We will have the same expenses as we had last year.

Mr. KELLEY. Well, you had \$55,000 for furniture last year.

Commander TAYLOR. Yes; that was for the midshipmen's quarters.

Mr. KELLEY. And you had \$100,000 for screening Bancroft Hall.

Commander TAYLOR. No, sir; it was \$20,000 for screening Bancroft Hall.

Mr. KELLEY. What was the rest of that \$160,000 used for?

Commander TAYLOR. The rest of it was for water-front improvement, repairing the wharves, etc.

Mr. KELLEY. It says in this report for last year that "the principal items which make up this item of \$160,000 are \$55,000 for furniture for the midshipmen's rooms."

And that you have either purchased or will purchase out of this fund during the year?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. And "the screening of Bancroft Hall. The estimated cost of the screening is \$20,000."

Commander TAYLOR. Yes, sir.

Mr. KELLEY. And then it says: "Repairs to water front. The wharves and piling along the water front, with the exception of one link along the sea front, have had no overhauling since 1915," and that amounts to \$50,000.

Commander TAYLOR. Yes, sir.

Mr. KELLEY. And then it says that there were increased expenditures due to the enlargement of the academy, \$30,000. That will continue, will it?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. Now, the water front and the screening and the furniture are all finished?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. So that \$130,000 of the \$160,000 has disappeared as an item of expenditure?

Mr. FRENCH. Is the screening all done?

Admiral SCALES. We have the money for it.

Mr. KELLEY. And the only other thing is the extra cost of the heating?

Admiral SCALES. And the repair of the roads.

Commander TAYLOR. Yes, sir; but that was \$125,000, instead of \$130,000.

Mr. KELLEY. All right.

Mr. BYRNES. Well, in place of the screening and furniture, and the other items, he says that he needs some money for roads—the roads and the heating; those are the only two items that you have in mind, are they?

Commander TAYLOR. There are really four items, including the coal, which includes the increased amount of coal to be used, as well as the increased price; the roads; and the painting of a good many of the buildings in the yard. In regard to the roads, 50 per cent of the roads are—

Mr. KELLEY (interposing). Wait a minute. Speaking of the painting, we are talking now about the things that you did not have in other years.

Commander TAYLOR. Yes, sir.

Mr. KELLEY. What we want to consider are the new things that have been put in the academy that cause an expense that you did not have last year. Now, if you take those things out that you had last year, that leaves you \$950,000 for all of these other things.

Now, what is there that you have not done last year that will eat up the rest of this \$160,000, besides what Mr. Byrnes has mentioned, namely, the heating?

Commander TAYLOR. We have got to spend a lot of money on our roads.

Mr. KELLEY. Well, you have \$950,000 there to spend it out of. You have always had the roads, have you not?

Commander TAYLOR. We have always had the roads, but never in as bad condition as they are; for two reasons: First, on account of the increased traffic, and, second, on account of the automobiles. Three years ago we had no automobiles in the yard, except a few passenger automobiles.

Mr. KELLEY. How much extra do you figure on spending on the roads, above your usual expenditures on the roads?

Commander TAYLOR. I should say about \$10,000 at least.

Mr. KELLEY. How do you arrive at that figure?

Commander TAYLOR. Well, it is simply an estimate, on account of the poor condition of those semipermanent roads. Where we used to keep an ordinary gang to keep the roads in shape, it now involves taking a big gang once in a while and touching them up. The roads are one continual succession of holes.

Mr. KELLEY. You must have a good many automobiles out there.

Commander TAYLOR. Three or four years ago we had nothing but a comparatively few passenger automobiles. Passenger automobiles are not ordinarily allowed in the yard, unless they have a pass; no automobile is allowed in the yard without a permit. So that there were comparatively few automobiles in the yard; and, as I say, they belong to the officers.

Mr. KELLEY. As I remember, your roads are not cement roads; they are only gravel.

Commander TAYLOR. They are not even gravel; they are simply cinders and oyster shells.

Mr. KELLEY. You do not anticipate providing gravel for them, do you?

Commander TAYLOR. No; but we want to make them a little more permanent than they are; and put a little gravel on them, and perhaps some binder on the top, which will make them more permanent.

Mr. KELLEY. Well, in these days, when the revenues of the Government are falling off, you would not expect us to spend more on the upkeep of the plant than we did before, would you?

Commander TAYLOR. If the plant is getting worse—

Mr. KELLEY (continuing). And when the cost of materials is coming down; paint and nails have dropped off 33½ per cent since you made these estimates.

Commander TAYLOR. In the meantime, if you wait for the paint to come down, the woodwork rots.

Mr. KELLEY. Well, it has come down since you made these estimates. Based on the estimates, which you made three or four months ago, prices have dropped for the materials out of which you make repairs.

Commander TAYLOR. Not all of them.

Mr. KELLEY. The price of lumber has dropped.

Commander TAYLOR. The price of lumber has dropped very little.

Mr. KELLEY. Well, 25 per cent is quite a bit; nails have dropped 33½ per cent; paint has dropped about the same percentage.

Commander TAYLOR. How about cement and gravel?

Mr. KELLEY. You are not buying any cement.

Commander TAYLOR. Yes, sir; we are buying cement—quite a lot of it.

Mr. KELLEY. What are buying it for?

Commander TAYLOR. For all sorts of repairs.

Mr. KELLEY. Where, if you have not any cement roads?

Commander TAYLOR. Well, if you have any minor repairs to buildings, it is necessary to—

Mr. KELLEY (interposing). What I mean is that with a fall in prices of from 25 to 33½ per cent from what you paid last year, or from what they were when you made up these estimates three months ago, it is not necessary to take into account every little item that you have above what you had last year, because you can take care of that out of the reduction in cost of the material; is that not correct?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. Why can we not take out of this item everything except what it will cost extra to run the plant, due to what you have put in there this last year?

Commander TAYLOR. Well, of course, you can put in whatever you want.

Mr. KELLEY. I do not mean that; but I would like you to answer this question: If we gave you \$160,000 for four purposes last year, and only one of those purposes continues as an expense, and \$125,000 that we gave you was for screening, furniture, and improvements on the water front, and those three things are all done now, why can we not simply deduct all of those things from this appropriation, except the portion required for the additional expense to keep up the heating plant which has been installed since last year? We can do that, can we not? And the other things that you expected to do you could do out of the saving from the reduced prices of the material?

Commander TAYLOR. Yes, sir; either that or they will not be done. That is, if we had the money, we would do them.

Mr. KELLEY. Let us see; you made these estimates three months ago, did you not?

Commander TAYLOR. Yes, sir.

Mr. KELLEY (continuing). When the prices of lumber, nails, and paint, and almost everything you have to use were much higher, we have the list furnished by the Department of Commerce, showing that the prices of those materials are from 25 to 33½ per cent lower than they were then. Now, if you divide \$900,000, or \$1,000,000, which you have here in this item, into labor and material and deduct a certain percentage for reduced prices that will give you a large sum of money to take care of incidental things that you might want to do this year, over and above what you did last year.

Commander TAYLOR. Yes, sir.

Mr. KELLEY. So that if we give you your regular appropriation, plus whatever the new installations since last year will cost in the way of upkeep, you will be in pretty good shape, will you not?

Commander TAYLOR. I do not know that we will be in particularly bad shape.

Mr. KELLEY. No. Well, we will work that out. There are no other considerations that should enter into this amount, are there?

Commander TAYLOR. No; I do not think so.

Mr. KELLEY. As a matter of fact, you probably have not realized, unless you have been purchasing in the last month or two supplies for repairs—you have not realized how much prices are off on lumber, nails, etc.

Commander TAYLOR. I have not purchased any lumber; but I have been purchasing things down there all the time, and while there may have been a considerable decrease in some of them, on the other hand in others there is no decrease whatever.

Mr. KELLEY. You purchase your things through the Bureau of Supplies and Accounts, do you not?

Commander TAYLOR. Yes, sir.

Mr. KELLEY. There is another thing: You have to pay war prices for the things that you purchase from the bureau, do you not?

Commander TAYLOR. That is the only way we can buy them.

Mr. KELLEY. Well, that can be taken care of, so that you will be able to buy material from the Bureau of Supplies and Accounts at current prices.

Admiral SCALES. That will be during the current year, will it?

Mr. KELLEY. That will be during the current year, and that will take care of your prices.

Commander TAYLOR. I hope so; because every time I have to sign a stub for any purchase I feel that it is throwing money away.

Mr. KELLEY. That will not happen; you will be able to purchase material from the Bureau of Supplies and Accounts at the same price at which you could buy it on the market, and that will make a very great difference in the size of this big item.

Are there any other questions about maintenance and repairs?

Mr. BYRNES. No; I have none.

COMMUTATION OF RENT FOR BANDSMEN.

Mr. KELLEY. The next item is rent of buildings for the use of the academy and commutation of rent for bandsmen. On that item we gave you \$13,500 last year, and you are asking for the same amount next year. What is that item for?

Admiral SCALES. The law requires that we shall furnish the bandsmen with commutation of rent, and that is the exact amount required for that purpose.

Mr. KELLEY. How many bandsmen are there?

Admiral SCALES. Seventy-five.

Mr. KELLEY. Why not cut out the first clause in that item, "Rent of buildings for the use of the academy" and make it just "Commutation of rent for bandsmen"?

Admiral SCALES. I do not think we rent any buildings.

Commander TAYLOR. No; not to my knowledge.

Admiral SCALES. I imagine that that language was a legacy to us.

Mr. KELLEY. All that you need is "Commutation of rent for bandsmen at \$15 per month each"?

Admiral SCALES. Yes, sir.

Mr. BYRNES. Then you think we can strike out this language?

Commander TAYLOR. Yes, sir.

Admiral SCALES. Well, it occurs to me that the idea may have been that at some time they could rent quarters and put the bandsmen in them at a cheaper price than they could pay the commutation. Now, if you leave that language there, that may be done, although I do not think it would. But if you take that language out, you may lose money some day by not being able to do that. We can not use any more than the amount named.

Commander TAYLOR. And they do not get any more themselves.

Mr. KELLEY. This is the exact amount that the commutation of quarters entitles them to, is it?

Admiral SCALES. That is the exact amount.

Mr. KELLEY. What rank are the bandsmen?

Admiral SCALES. Enlisted men. The Naval Academy, because the other bands of the Navy get their quarters, furnished quarters for them for a number of years; and it had this appropriation allowed for commutation.

Mr. KELLEY. It is authorized by law?

Admiral SCALES. It is authorized by law; yes, sir. And the total amount depends on how near the band is recruited to its full strength; if it is, that is what we need; if it is not, we can save a little.

Mr. KELLEY. Now, Admiral, is there anything else that you want to tell us about the Naval Academy?

Admiral SCALES. No, sir.

Mr. KELLEY. Where do you detail the boys for police duty on the grounds?

Admiral SCALES. Only in Bancroft Hall, and while sections or bodies of men are marching to and fro.

Mr. KELLEY. When I have been down there, it has always seemed as if the boys were at the gates.

Admiral SCALES. They were there, in addition to the watchmen, at one time, to keep tab on the midshipmen when they went out; and I decided that that was a sort of espionage, and I did not like it, and I stopped it.

Mr. KELLEY. How many marines have you down there?

Admiral SCALES. We are able to keep two marine guard posts there; there are 50-odd marines there, but they are on the other side of the river.

Mr. KELLEY. How many have you in your grounds?

Admiral SCALES. To guard posts?

Mr. KELLEY. How many men?

Admiral SCALES. Fifty.

Mr. KELLEY. Well, you have your 30 watchmen and your 50 marines?

Admiral SCALES. Yes; but they are on the other side of the river.

Mr. KELLEY. Can you not detail some of your marines there?

Admiral SCALES. We have no more to spare.

Mr. KELLEY. Could you not detail a couple of the marines to the other side for police duty?

Admiral SCALES. Well, they have to protect the property over there, and to take care of the rifle range.

Mr. KELLEY. Well, that is not so important as police duty in the grounds.

Admiral SCALES. Yes. But they have to act as instructors for the rifle range and to keep up the rifle range.

Mr. KELLEY. Could you not ask Gen. Lejuene for additional marines?

Admiral SCALES. I did so. I have an authorized strength of 80 marines; and I told him I would like to have an authorized strength of 100; and he told me that he would give me the authorized strength; but they have not come yet.

Mr. KELLEY. You have 300 enlisted men at the academy?

Admiral SCALES. Yes; but they have their regular duties to perform.

Mr. KELLEY. Yes. But you only need two or three men to guard these gates, in addition to what you have, and out of that 300 men could you not find two or three men who would be available?

Admiral SCALES. I have an enlisted patrol in that part of the grounds now.

Mr. KELLEY. You have a large number of watchmen at the academy now; you have 30 civilians.

Admiral SCALES. I need four more now—well, that is not quite an accurate statement, because we can not use those men for that purpose.

Mr. KELLEY. Can you not use a marine for a watchman?

Admiral SCALES. Yes; I say we do use all we can.

Mr. KELLEY. Well, I should think you could get two or three more men for duty without getting additional civilian watchmen.

Admiral SCALES. Suppose the marine guard is called away for special duty, as it has been in the past and probably will be in the future; I would not have any marines at all; and then I would have a hiatus, with no more marines.

Mr. KELLEY. It is just a question of using the enlisted men.

Admiral SCALES. It is just a question of using the enlisted men there or at sea.

Mr. KELLEY. Well, these four watchmen, I think, Admiral Scales, that you can probably take care of.

THURSDAY, JANUARY 20, 1921.

AVIATION FOR THE NAVY.

STATEMENT OF CAPT. T. T. CRAVEN, DIRECTOR OF NAVAL AVIATION.

Mr. KELLEY. We have with us this afternoon Capt. T. T. Craven, Director of Naval Aviation. Before we take up anything in the bill under the head of "Aviation" I wish to make a few inquiries on the personnel side.

Capt. CRAVEN. I would like to explain, Mr. Chairman, the basis of the estimates. Here is a photostat sheet containing the original estimates for the needs of the Navy totaling \$35,000,000. On the left-hand side of each of these tabulations is the summation totaling \$35,000,000. The first page should be that which now appears on

the lower right-hand side of the sheet; to the left of the dotted line, a certain sum of money, and to the right of the dotted line a lesser sum of money is indicated. The figures to the right of that dotted line represent a revision of the estimate of \$35,000,000. It was made by the Naval Affairs Committee and totals a little more than \$21,000,000.

Mr. KELLEY. That is the total of "Aviation, Navy," instead of the \$35,000,000 asked for in the original estimate?

Capt. CRAVEN. Yes, sir. The committee revised it down to \$21,000,000.

Mr. KELLEY. That includes new construction and maintenance and repair of old construction?

Capt. CRAVEN. Yes; and also operations and experimental development.

Mr. KELLEY. Now, before taking that up, this appropriation under the head of "Aviation" does not include anything for pay of officers or men, but it does include the pay of the classified force?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Clerks and draftsmen, inspectors and that sort of civil employees?

Capt. CRAVEN. Not completely, because certain of that class are paid out of the appropriations made to the bureaus. For example, the Bureau of Construction and Repair pays the wages of a certain number of employees of that character.

Mr. KELLEY. Yes; and you have other bureaus?

Capt. CRAVEN. Yes; other bureaus do the same.

Mr. KELLEY. Including Ordnance?

Capt. CRAVEN. Ordnance entirely. Ordnance pays for all of theirs.

Mr. KELLEY. We will get to that a little later. How many commissioned officers have you assigned to aviation?

Capt. CRAVEN. We have a total now of 631 officers.

Mr. KELLEY. That is commissioned officers?

Capt. CRAVEN. Yes; commissioned and warrants.

Mr. KELLEY. And they will be divided among the various ranks in what way? How many of each rank in aviation?

Capt. CRAVEN. If you will permit me, I will go into details of this matter a little bit. We have 631 officers assigned to aviation, of whom 368 are naval aviators.

Mr. KELLEY. Are they commissioned officers?

Capt. CRAVEN. All but 16 of the naval aviators are commissioned officers. Sixteen are warrant officers.

Mr. KELLEY. That is, 346 commissioned officers and 16 warrant officers?

Capt. CRAVEN. Sixteen temporary warrant officers. We have 247 belonging to the Naval Reserve Force:

Mr. KELLEY. Two hundred forty seven of the 346?

Capt. CRAVEN. Yes, sir, and 47 are temporary. The remainder, 52, are regular naval officers. We have a total of 53 student naval aviators under instruction.

Mr. KELLEY. Are they commissioned officers?

Capt. CRAVEN. Twenty of these are regular commissioned officers; 6 are temporary officers; 11 are Naval Reserve officers, all com-

missioned; we also have 14 temporary warrant officers and 2 Naval Reserve warrant officers.

Mr. KELLEY. That makes 53, does it?

Capt. CRAVEN. Yes. We also have a total of 212 officers assigned to naval aviation who are not pilots.

Mr. KELLEY. Two hundred and twelve?

Capt. CRAVEN. Two hundred and twelve who are nonflyers.

Mr. KELLEY. They are shore men?

Capt. CRAVEN. Yes. They are administrators and ground officers, like myself.

Mr. KELLEY. They are nonflyers, as you call them—nonflying officers?

Capt. CRAVEN. Yes, sir; 24 of whom belong to the Regular Navy; 26 are temporary officers; 38 are Naval Reserve officers; 95 are staff officers of the Navy; 29 are temporary warrant officers. There are in addition four other officers designated for staff duties, two of the Regular Navy and two of the Reserve force, making a total of 631.

Mr. KELLEY. This last list will not foot up 212?

Capt. CRAVEN. The nonflyers, 212 plus four, 216 nonflyers it should be. Those four that I speak of are also nonflyers.

Mr. KELLEY. Is that all the officers you have—commissioned officers?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Just to get it in the record of that number, how many admirals have you?

Capt. CRAVEN. None.

Mr. KELLEY. How many captains?

Capt. CRAVEN. I have not the figures by ranks. I could put it in the record. We have very few captains.

Mr. KELLEY. Captain, could you tell us offhand how many captains you have?

Capt. CRAVEN. Including the officers at stations, I think there are six, but that is subject to revision. It is in the neighborhood of six.

Mr. KELLEY. Will you put in the list all the way down?

Capt. CRAVEN. Yes, sir; it will be appended to the day's proceedings.

Mr. KELLEY. I suppose most of them are young officers?

Capt. CRAVEN. Yes, sir. Captains and those of high rank are in command of fleet air detachments and important air stations, and myself in the Navy Department.

Mr. KELLEY. I thought we limited the number of officers on aviation duty to 500?

Capt. CRAVEN. You have in mind, I think, the legislation of last year, permitting us to take 500 reserve officers into aviation.

Mr. KELLEY. We provided an additional 500 officers over and above the 4 per cent?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. And some 300 of them were for aviation?

Capt. CRAVEN. You provided 1,200 officers of the Reserve Corps to be taken into the Navy; 500 of them were to be allowed for aviation.

Mr. KELLEY. Either you are not quite right or else I am headed wrong. We authorized the taking into the Navy of 1,200 reserves and temporaries?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. And then we authorized in addition to that 500 others for aviation and auxiliaries?

Capt. CRAVEN. Yes; I think that is right. I stand corrected.

Mr. KELLEY. Now, was it not the intention that all your officers should be limited to the number we provided there?

Capt. CRAVEN. That is not the interpretation that was placed upon it; no.

Mr. KELLEY. Your understanding is that there is no limitation except the available officers and the policy of the department in assigning officers to aviation?

Capt. CRAVEN. In 1916 legislation provided for a Flying Corps to be composed of 150 officers and 350 men. In 1918 legislation provided for a temporary increase of 10,000 in the flying establishment. Since that time there has been a reduction, as we have finished the war and demobilized. That temporary provision has been considered as applying, however, and there has been considered to be no limitation, except those bounded by reason, on the number of officers assigned. But it is proper at this time, I think, to legislate as to the number of officers allowable in aviation, and that fact has been represented to the Bureau of Navigation, and they have been requested to act accordingly.

Mr. KELLEY. You mean at this time, because peace is likely to come soon?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Then, what would be your situation without legislation?

Capt. CRAVEN. I may be wrong about it, but my impression is that there is no limitation to the temporary assignment under the legislation of 1918. I do not think it was for the period of the war. I do not think there was any definite date given for the termination of that legislation, and my impression is that for the present there would be no change.

Mr. KELLEY. Is not there some general legislation which requires war legislation of a certain character to terminate within six months after peace is declared?

Capt. CRAVEN. I do not know. I am not sure about that.

Mr. KELLEY. You do not know just what your legal status is at this moment; that is, as soon as peace is declared?

Capt. CRAVEN. As soon as peace is declared the question as to the numbers allowed permanently and finally in the aviation branch will become an open one and should be looked into at this time. This has been taken up and represented to the bureau having cognizance of personnel. I am not exactly informed what the final action has been.

NUMBER OF OFFICERS FOR 1922.

Mr. KELLEY. How many officers are you planning for aviation in 1922?

Capt. CRAVEN. If our ideas are followed there will be a considerable increase in the activities of the aviation branch for the next year. We have a total proposed for the next fiscal year, 1922, of 844 officers.

Mr. KELLEY. That is about one-third more than you have now?

Capt. CRAVEN. Of course, the aviation projects are constantly expanding. The strength of the fleet air detachments are being encouraged to grow as much as possible to enlarge their activities, and more officers and more men will be needed.

Mr. KELLEY. You have a column of figures here in which you are probably carrying out some suggestion from the Naval Committee, in the last column.

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Now, on that plan or scheme of operation, how many officers would you require?

Capt. CRAVEN. These same figures were submitted to the Naval Committee and no change was made in the number of officers or the number of men proposed. It was my idea simply that we would endeavor to operate with less material than that reported as desired if the appropriation was reduced. In our \$35,000,000 appropriation, for example, we asked for big rigid airships, which were eliminated. They would not become available during the next fiscal year and would not require any personnel in the next fiscal year. But what we have asked for will require the number of officers I gave you, 844.

Mr. KELLEY. Then by your reduction from \$35,000,000 to \$21,-000,000 you have not taken out such craft as you would need to supply with officers and men for the next fiscal year, to speak of?

Capt. CRAVEN. No, sir.

Mr. KELLEY. Just how do you propose to expand your activities and use 200 more officers?

Capt. CRAVEN. The principal expansion would be in the fleet air detachments. It is proposed that in the Pacific Fleet, for example, in the next year, we should have 128 aviator officers, plus 46 administrative officers, of the line and staff. At the present time in the Pacific Fleet we have a total of about half that number of officers. About the same increase would take place in the Atlantic Fleet. In addition we are spreading out elsewhere; the station at Hawaii will come into commission next year, requiring a considerable number of officers. Those will cover very nearly that number, Mr. Kelley.

Mr. KELLEY. So that your present plans would take about 800 commissioned officers, of both line and staff?

Capt. CRAVEN. Yes.

Mr. KELLEY. How many warrant officers?

Capt. CRAVEN. Those figures would include commissioned and warrant officers. I have not separated them by ranks at all.

Mr. KELLEY. But the number of warrant officers will be relatively small?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Is it your idea to make this a sort of revolving corps, so to speak? That is to say, to train the men and then have them pass out into the other general service of the Navy and bring in more constantly?

Capt. CRAVEN. Precisely. That is the present plan. We shall take in officers and they will serve a tour of duty in aviation for three or four years and then return to the fleet, taking with them to the ships the knowledge of aviation and acquainting themselves with the developments in ships. Then those who show proper talent, interest, and value to naval aviation will be allowed to return to it for other tours of duty.

Mr. KELLEY. Can you put into the record the number of officers you had last year, or, say, the number of officers that you had July 1, 1920?

Capt. CRAVEN. I think I can give it to you here. The figures that I have given you already were of November 30, 1920. The figures already given to you were 631. Those are the total officers on duty November 30, 1920.

Mr. KELLEY. And if the \$21,000,000 should be appropriated, down to which you have revised your \$35,000,000 estimate, 844 officers would be required?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Will you put in the record as near as you can the number in each rank of those 844 officers?

Capt. CRAVEN. For 1922 and for the present; yes, sir. I would like to explain before you go ahead that during the year we will commission the *Langley*, one of our carriers, and also commission the *Wright*, a big tender which will become available in a few months and will also require a good many officers. The complete table is appended to the record of the day's proceeding.

Mr. KELLEY. Will that be in addition to the 844?

Capt. CRAVEN. No, sir; they will be included in the 844.

Mr. KELLEY. These two ships that you speak of are airplane carriers or tenders?

Capt. CRAVEN. The *Langley* is a carrier and from her deck planes will fly, and they will also return to her deck. The other, the *Wright*, is a mother ship for seaplanes, and will be a tender.

Mr. KELLEY. Is there anything else in the way of information about the officers that you can speak of that I have not asked about, that would result in any expense?

Capt. CRAVEN. I have not mentioned the marine officers. The marines have an aviation contingent which is paid for and carried under the marine appropriation.

Mr. KELLEY. Let us have that too, please.

Capt. CRAVEN. As of November 30, 1920, there were 42 line officers of the Marine Corps qualified as naval aviators, 11 student naval aviators, and 11 officers of the line and staff, including warrant officers, on duty with marine aviation.

Mr. KELLEY. That makes 64 more officers in aviation, but under the marine contingent?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Are you asking for more marine officers for 1922?

Capt. CRAVEN. The quota contemplated for the marines is 100 officers and it is not intended to exceed that for next year.

Mr. KELLEY. So that would make the total in aviation of the Navy about 940 officers?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Can you put in the record the grades of the marine officers also, and the number in each grade?

Capt. CRAVEN. Yes, sir; it is appended to the record of the day's proceedings.

EXTRA COMPENSATION FOR FLYING.

Mr. KELLEY. Is there some extra compensation paid to officers for flying?

Capt. CRAVEN. Yes.

Mr. KELLEY. Let us have that.

Capt. CRAVEN. The officers of the Navy who are qualified aviators and are on flight duty are allowed 50 per cent increase in their pay up to and including the grade of commander. Student aviators when flying are allowed 35 per cent increase of pay. Enlisted men are allowed 50 per cent increase of pay regardless of their rates. The Army has a flat increase of 50 per cent increase of pay regardless of rank and regardless of duty for all officers who have flight orders.

Mr. KELLEY. And that would apply to the Marine Corps officers?

Capt. CRAVEN. The marines are under the Navy pay for flight duty.

Mr. KELLEY. I thought they always followed the Army in pay?

Capt. CRAVEN. I think I am correct in saying that they are under the Navy.

Mr. KELLEY. The increase is the same as in the Navy?

Capt. CRAVEN. Yes, sir. I want to make it clear, Mr. Kelley, that this applies only to pilots in the Navy and Marine Corps, but in the Army it applies to anyone having flight duty. That is, the engineer of a boat, the wireless man, or the observer gets 50 per cent increased pay, but in the Navy the only people who are allowed an increase of pay by law are naval aviators and student naval aviators.

Mr. KELLEY. Should I get the total pay from you or from the Bureau of Supplies and Accounts?

Capt. CRAVEN. I can secure that for you and will append it to this day's proceedings. I have an estimate of it here. This will be corrected if it is not sufficiently exact.

PAY OF OFFICERS.

Mr. KELLEY. Now, this is for the total pay of officers, 1922, or for the present year?

Capt. CRAVEN. This is for the present year.

Mr. KELLEY. For the six hundred and some odd officers?

Capt. CRAVEN. Yes; but it does not include the Marine Corps. The total officers' yearly pay, including the increase for flying pay for those who are assigned as aviators, is about \$2,800,000. Now, for the enlisted men—

Mr. KELLEY (interposing). Just leave that for the present. Let us take the officers. Now, what would that be on the basis of 844 officers—one-third more, roughly?

Capt. CRAVEN. Not over that. I should say one-third more would be a fair estimate.

Mr. KELLEY. That would be about \$900,000 additional?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. That would be \$3,700,000 for the officers of the Navy assigned to aviation, exclusive of marines?

Capt. CRAVEN. Yes; if those figures are correct.

Mr. KELLEY. About what would the 100 marine officers' pay amount to?

Capt. CRAVEN. I think if you take about one-sixth of the naval pay here you will approximate it, about \$236,000 for the marines.

Mr. KELLEY. So, roughly, that would be \$3,000,000 for officers' pay, and you will revise those figures and put the correct figures in the record, as accurately as you can.

Capt. CRAVEN. Yes, sir; the table is appended to the day's hearings.

Mr. KELLEY. Now, of course, this amount of \$3,000,000 does not include any allowances?

Capt. CRAVEN. No. It includes no allowances.

Mr. KELLEY. This is just the pay of the officers?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Now, can you add to the pay the other expenses which naturally go with the officers?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. That will be commutation of quarters, and heat, light, and rations?

Capt. CRAVEN. There is no allowance for officers in rations, as commutation of quarters, heat, and light are their only allowances.

Mr. KELLEY. And that is all that these officers would cost the Government?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Who formulates the general policy for the development of aviation in the Navy?

Capt. CRAVEN. The Division of Operations. It is done in the Office of the Director of Naval Aviation under the cognizance of the Chief of Naval Operations.

Mr. KELLEY. Then Admiral Coontz is really the head of Naval Aviation?

Capt. CRAVEN. Yes, sir.

NUMBER AND PAY OF ENLISTED MEN.

Mr. KELLEY. Now, let us take up the enlisted men. How many men on November 30, 1920, were there in aviation?

Capt. CRAVEN. The total number of enlisted men on November 30, 1920, was 5,743.

Mr. KELLEY. Can you put a table in the record at this point showing the distribution among the ratings?

Capt. CRAVEN. Yes, sir; it will be inserted in this day's hearings.

Mr. KELLEY. You have not those figures here?

Capt. CRAVEN. No, sir.

Mr. KELLEY. And then you can figure from that the pay of the men?

Capt. CRAVEN. Yes, sir. We have made an estimate on the pay, but it is based on 6,000 men. The estimated pay amounts to \$7,046,000. That is based on 6,000 men.

Mr. KELLEY. That does not include the marines?

Capt. CRAVEN. That does not include the marines.

Mr. KELLEY. Have you the figures for the marines?

Capt. CRAVEN. We have a total of 920 enlisted men of the marines. The estimate for their pay has not been included in this figure which I have given you.

Mr. KELLEY. It is about one-sixth?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. So that would be probably another million and a quarter?

Capt. CRAVEN. Yes; about that.

Mr. KELLEY. Now we come to the subsistence of the men.

Capt. CRAVEN. That has been included in those figures.

Mr. KELLEY. That is pay and subsistence of enlisted men?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. You had better keep those two together. If you want to put them in separately, that will be all right.

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Are you figuring on having more than 6,000 men next year?

Capt. CRAVEN. Our estimate for next year contemplates a total of 7,560 enlisted men.

Mr. KELLEY. And that is, this \$21,000,000 revision contemplates the employment of 7,560 men?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Marines and all, or just the Navy?

Capt. CRAVEN. The Navy and 1,000 marines.

Mr. KELLEY. Seven thousand five hundred and sixty naval men and 1,000 marines?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. If you will put in the record the pay of the contemplated number for next year of both those in the Navy and those in the Marine Corps, that will be about one-third more again, roughly, would it not?

Capt. CRAVEN. Yes, sir. At this point I would like to insert this table that has been prepared, giving situation with regard to personnel.

(The table referred to follows:)

Complement and pay of Naval Aviation enlisted personnel.

ESTIMATED FOR FISCAL YEAR 1921, AS OF NOV. 30, 1920.

	Number.	Base pay per year.	Ration per year.	Flying pay.	Year pay per man.	Total.
Pilots:						
Chief petty officers.....	57	\$1,606.00	\$244.80	\$803.00	\$2,653.80	\$151,266.60
Petty officers, first class.....	2	1,008.00	244.80	504.00	1,756.80	3,513.60
Petty officers, second class.....	1	864.00	244.80	432.00	1,540.80	1,540.80
Total.....	60					156,321.00
Men ordered to actual flying in aircraft:						
Chief petty officers.....	463	1,606.00	244.80	803.00	2,653.80	1,228,709.40
Petty officers, first class.....	161	1,008.00	244.80	504.00	1,756.80	282,844.80
Petty officers, second class.....	118	864.00	244.80	432.00	1,540.80	181,814.40
Total.....	742					1,693,368.60
General aviation duties:						
Chief petty officers.....	730	1,606.00	244.80	.....	1,850.80	1,351,064.00
Petty officers, first class.....	598	1,008.00	244.80	.....	1,252.80	746,688.80
Petty officers, second class.....	1,302	864.00	244.80	.....	1,108.80	1,443,657.60
Petty officers, third class.....	1,120	720.00	244.80	.....	964.80	1,080,576.00
Seaman, first class.....	477	648.00	244.80	.....	892.80	425,865.60
Seaman, second class.....	284	576.00	244.80	.....	820.80	233,107.20
Seaman, third class.....	432	396.00	244.80	.....	640.80	276,825.60
Total.....	4,941					5,557,784.80
Total.....	5,743					7,407,474.40

Complement and pay of Naval Aviation enlisted personnel—Continued.

ESTIMATE FOR FISCAL YEAR, 1922.

	Num- ber	Base pay per year.	Ration per year.	Flying pay.	Year pay per man.	Total.
Pilots:						
Chief petty officers.....	100	\$1,606.00	\$244.80	\$803.00	\$2,653.80	\$265,390.00
Petty officers, first class.....	50	1,008.00	244.80	504.00	1,756.80	87,810.00
Petty officers, second class.....	26	864.00	244.80	432.00	1,540.80	40,060.80
Total.....	176					393,280.80
Men ordered to actual flying in aircraft:						
Chief petty officers.....	650	1,606.00	244.80	803.00	2,653.80	1,724,970.00
Petty officers, first class.....	200	1,008.00	244.80	504.00	1,756.80	351,360.00
Petty officers, second class.....	150	864.00	244.80	432.00	1,540.80	231,120.00
Total.....	1,000					2,307,450.00
General aviation duties:						
Chief petty officers.....	940	1,606.00	244.80	.....	1,850.80	1,739,752.00
Petty officers, first class.....	776	1,008.00	244.80	.....	1,282.80	972,172.80
Petty officers, second class.....	1,677	864.00	244.80	.....	1,108.80	1,880,457.60
Petty officers, third class.....	1,433	720.00	244.80	.....	964.80	1,387,383.40
Seaman, first class.....	627	648.00	244.80	.....	992.80	569,785.60
Seaman, second class.....	374	576.00	244.80	.....	820.80	306,979.20
Seaman, third class.....	552	396.00	244.80	.....	640.80	353,721.60
Total.....	6,384					7,179,251.20
Grand total.....	7,560					9,879,982.00

Mr. KELLEY. Roughly, you are asking for about \$11,000,000 for the men, \$8,296,000 on the basis of 5,743 naval men and 920 marines; and 7,560 men and 1,000 marines would be about one-third more, or an additional \$2,765,000, or about \$11,061,000?

Capt. CRAVEN. Yes, sir.

Mr. BYRNES. Where is there a statement in this item as to the men?

Capt. CRAVEN. There is none, because in the aviation appropriation as we have carried it in the past year the "Pay of the Navy" includes it.

Mr. BYRNES. It is not included in this appropriation?

Capt. CRAVEN. No, sir.

Mr. KELLEY. It is included in "Pay of the Navy." I was just trying to develop how much was in the bill for aviation, because some one might say in reading the bill, "Congress appropriated so much for aviation," when other items would be carried elsewhere.

Capt. CRAVEN. Of course, the total enlisted men of the Navy includes the total in aviation.

Mr. KELLEY. It is not being carried twice?

Capt. CRAVEN. No, sir.

CIVILIAN EMPLOYEES.

Mr. KELLEY. How about the number of civilians?

Capt. CRAVEN. They are carried under this appropriation and paid out of aviation. We have a total of 243 classified—

Mr. KELLEY (interposing). Just a moment. Suppose we first take up civilians not paid for out of this appropriation.

Capt. CRAVEN. Yes, sir. I can give you that. The pay roll of the civilian employees carried by the bureaus of the Navy Depart-

ment and not included under the aviation appropriation amounts to \$358,750.

Mr. KELLEY. That is, all told?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. All other bureaus?

- Capt. CRAVEN. Under bureaus of the Navy Department.

Mr. KELLEY. If you have them as classified and unclassified, that will help.

Capt. CRAVEN. Yes, sir. I will have to ask the indulgence of the committee. I have not the figures with sufficient accuracy to give them now.

Mr. KELLEY. You can work that out?

Capt. CRAVEN. Yes, sir. We have the figures submitted by Supplies and Accounts, but apparently they are questioned by some representatives of the bureau who are present; but I will append them to the day's hearings.

Mr. KELLEY. Those can be verified and put in the record.

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. That is, classified and unclassified in connection with all the different bureaus?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Now, in connection with your own operations, what is the total?

Capt. CRAVEN. At the present time we have under aviation a total of 243 classified civilians.

Mr. KELLEY. That comes out of this appropriation?

Capt. CRAVEN. That comes out of this appropriation, out of the \$275,000 carried under this appropriation.

Mr. KELLEY. Have you no classified civilians that are paid anywhere else?

Capt. CRAVEN. In this bill we have \$275,000 for classified employees and we had a total of 146 classified employees paid under the appropriation on November 30, 1920.

Mr. KELLEY. I am not quite clear about that. You have here a limitation of \$275,000 for classified employees?

Capt. CRAVEN. Yes; we have a total of 146 classified employees.

Mr. KELLEY. Have you used that all up?

Capt. CRAVEN. I think we will. In fact, we are asking for more money next year.

Mr. KELLEY. If we can keep away from this appropriation for the present—is there any civilian force that is not carried on the bureau pay rolls and is not paid out of this sum?

Capt. CRAVEN. That has never been very carefully analyzed. There may be a few, and I would prefer to reserve an answer on that until I investigate it thoroughly and find out. I would say broadly, no, there are none, but I am not sure that answer would be exact.

Mr. KELLEY. Take it at your stations. The civilian force would be paid for by some other bureau than yours all the way along?

Capt. CRAVEN. No. The civilian force at the station would come out of the appropriation for the station. But there may be some in the bureaus who work on aviation work.

Mr. KELLEY. Now, take the trade schools and places like that where you have training going on. There must a good many civilians there, are there not?

Capt. CRAVEN. No, sir; there are no civilians employed by aviation at the trade schools.

Mr. KELLEY. Those would be carried in the same way?

Capt. CRAVEN. If there were any they would be carried under "Maintenance, aviation," but there are none at the schools.

Mr. KELLEY. At the training schools you do not pay anything for the training. At Chicago you have an aviation school? Now, do you pay any of the civilian force connected with that school?

Capt. CRAVEN. There is no civilian force there that we pay for at all.

Mr. KELLEY. There must be quite a force that would be chargeable to you—that would be there because you are there?

Capt. CRAVEN. Of course, that may be correct.

Mr. KELLEY. But that is carried by some other bureau?

Capt. CRAVEN. Yes; that is carried by some other bureau.

Mr. KELLEY. And would be included in this figure you are going to give us?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Now, are there any other people in any way connected with aviation who would be chargeable either directly to you or under some other appropriation like "Pay, miscellaneous," or to any other bureau that we have not covered?

Capt. CRAVEN. No, sir; I can not think of any.

Mr. KELLEY. Then will you put in at the end a sort of recapitulation giving the items of expenses which are properly chargeable to aviation, but carried in other parts of the bill or by other bureaus?

Capt. CRAVEN. Yes, sir; it will be appended to the record of this day's proceedings.

Mr. KELLEY. Now, a word as to the legal establishment of aviation in the Navy. Will you put into the record at this point as brief and concise a statement as you can of any legislation—by reference only, of course—going to the proposition of legalizing aviation in the Navy or the establishment of any station in the Navy, and also any general legislation which would authorize either the President or the Secretary of the Navy to establish stations?

Capt. CRAVEN. Yes, sir. Before the war aviation practically had nothing. Practically everything we have now has come as a quick growth during the war. We had the one station at Pensacola before the war.

Mr. KELLEY. You have a memorandum to inquire carefully into the authority of all your plans and stations, including the aircraft factory and any other project in aviation?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Because if there is not some authority, if it has just sprung up, it might be advisable to have an authorization before our bill comes on the floor.

Capt. CRAVEN. Yes.

NEW CONSTRUCTION.

Mr. KELLEY. In this sheet, which you have handed to the committee, under subhead No. 1, is what you are asking for in the way of new aircraft?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Both heavy and light?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Of course, that would first have to be authorized by the Naval Committee?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Under the rule under which we are operating. That is for heavier than air alone, is it not, under subhead No. 1?

Capt. CRAVEN. Heavier and lighter than air.

Mr. KELLEY. The first division is heavier than air?

Capt. CRAVEN. And the second division is lighter than air. The third division is to continue the construction of craft authorized last year.

Mr. KELLEY. The third division this committee will have full jurisdiction over because it is a continuation of a project already started?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. But the first two, aggregating about \$5,500,000, will be new construction; is that right?

Capt. CRAVEN. Which estimate are you considering—the \$35,000,000 estimate or the House revision?

Mr. KELLEY. I am figuring on the right-hand lower corner.

Capt. CRAVEN. Yes, sir. The continuation there of projects already authorized, under that subhead, amounts to \$1,440,000.

Mr. KELLEY. And that we have jurisdiction to take care of?

Capt. CRAVEN. Yes.

Mr. KELLEY. Now, the next, "B," subhead No. 2, necessary equipment for heavier-than-air and lighter-than-air craft. Is that new construction?

Capt. CRAVEN. That is new construction.

Mr. KELLEY. And that will go with the aircraft above?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. And that amounts to \$988,720. Subhead "D," No. 4, new construction at stations, means new hangars and new buildings of various kinds?

Capt. CRAVEN. Yes; new buildings and new construction of various kinds on the stations as they now exist.

Mr. KELLEY. Now, is there any of that new construction which is incident to the operation or maintenance of aircraft now operated from those various stations? Or is the additional equipment in the way of buildings or hangars made necessary by the new construction?

Capt. CRAVEN. I think, with the exceptions of the Pacific coast rigid station, which has not yet begun at all, and the Dutch flats item the items are all for existing projects and for the completion of existing and authorized projects.

Mr. KELLEY. Subhead "D," under "New projects," of course, would have to be authorized. Now, having in mind what we are getting at, Captain, what is necessary to segregate these items? Will you make a further table, using your very best judgment as to what is new construction or what would be regarded as a new project at a station, and put all new construction and new projects by themselves, and those that are properly a part of the continuation of any work or repairs or preservation of existing stations, by themselves? That will help us quite a little, and in a little while we will take a recess until to-morrow and that will give you a little more time this afternoon to make some research.

Capt. CRAVEN. I would like to explain that we tried to anticipate the wish of the committee in drawing up this table. Our thought was that these figures represented new buildings which you might consider as new construction. Now, for the maintenance of buildings and preservation of existing buildings, etc., we have included estimates in the other table for "Maintenance and operation of stations."

Mr. KELLEY. Suppose you had, however, a station at which you had never undertaken the operation of anything but heavier-than-air craft, a heavier-than-air station, and you decided that you wanted to include at that point the equipment for dirigibles and other craft? I do not know whether you had anything of that kind, but you might want them. Now, the question would arise whether or not that expenditure would be for the proper expenditure of the yard as it was contemplated by the act or authority establishing it?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. If you put into the yard an entire new purpose and require new expenditures, either for buildings or equipment of any kind, which was not contemplated before, we might run against a point of order on it.

Capt. CRAVEN. There is nothing here which changes the status of the station in any way you mention at all. The new construction here is the elaboration of existing plants.

Mr. KELLEY. So that you are not asking for any new hangars or buildings where there is not a hangar or building of a similar character already?

Capt. CRAVEN. No; with the exception of at that rigid station for which you appropriated money last year, but which will revert to the Treasury this year unless we are able to secure a site for it, and the money asked for here is to complete that structure. The money appropriated last year was our estimate of how much could be spent that year, and this is asked for with a view of continuing it. Everything contained in this table is estimated for stations which exist, and with a view to elaborating and completing stations as they now exist.

Mr. KELLEY. Then, you would not have to make very much change?

Capt. CRAVEN. I do not see that we would have to make any change.

Mr. KELLEY. Now, when a new station was begun, authorized, or established without an act of Congress, I suppose the records of the department will show that somebody was directed to purchase land for that place and go ahead with construction out of some general fund?

PURCHASE OF LAND.

Capt. CRAVEN. Unhappily, sir, the great majority of stations constructed during the war were constructed on leased land, and the land was not purchased. We have only two stations now on land which is not definitely owned by the Government. One is at Chatham, where there has been authority given to purchase the land. The other is at Rockaway, where we are endeavoring to get an enabling act through the Legislature of New York which will permit the turning over of the land to the Government.

Mr. BYRNES. You mean you have purchased land at all these other stations?

Capt. CRAVEN. The other stations are on Government-owned land except the station at San Diego, which is on land seized by the Government but settlement for which has not yet been made. The owner of the land, Mr. Spreckels, protested the seizure and the legality of it. The problem is now being fought out in the courts. The Army and Navy jointly occupy that land.

Mr. KELLEY. Is there money available to pay for the San Diego property?

Capt. CRAVEN. No, sir. The amount awarded by the jury in San Diego, as I understand it, is something over \$5,000,000, and just what settlement is to be made there is yet to be determined. I understand the case is now in the hands of the Supreme Court.

Mr. BYRNES. \$5,000,000? Do you think Mr. Spreckels is willing to take \$5,000,000?

Capt. CRAVEN. I think it may be probable.

Mr. FRENCH. What did the department offer him?

Capt. CRAVEN. I am not sure, but I think an offer was made of \$1,000,000, some time ago.

BUILDINGS CONSTRUCTED.

Mr. BYRNES. How many buildings have you constructed on the land?

Capt. CRAVEN. The Army and Navy have constructed a good many together. Up to November 1, 1920, the Navy had spent about \$2,000,000 in public works on that station.

Mr. BYRNES. Have you any idea, approximately, or can you make a guess, as to what the Army has spent?

Capt. CRAVEN. No, sir. I hesitate to hazard a guess. It may be more or it may be less.

Mr. KELLEY. Now, as to the other stations that were established on Government land during the war, or since the war, without a special provision of Congress, the authority for it would be an order of somebody in the Navy, the Secretary of the Navy, or the President?

Capt. CRAVEN. Yes, sir. There are no such stations, however.

Mr. KELLEY. How about Lakehurst?

Capt. CRAVEN. The authority to purchase Lakehurst was granted by Congress in legislation two years ago.

Mr. KELLEY. It specifically authorized the purchase of land?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Is that true of Anacostia?

Capt. CRAVEN. Anacostia is on Government-owned land.

Mr. KELLEY. How did the station get there?

Capt. CRAVEN. It was erected during the war.

Mr. KELLEY. Who ordered it?

Capt. CRAVEN. It was directed under the orders of the Secretary of the Navy.

Mr. KELLEY. And you will be able to ascertain where he got the authority, probably?

Capt. CRAVEN. I am under the impression that he had blanket authority for anything of that kind during the war, but I will find out.

Mr. KELLEY. How about Cape May?

Capt. CRAVEN. Cape May is on ground which was commandeered and seized by the Government during the war.

Mr. KELLEY. Was not that an Army project?

Capt. CRAVEN. No; I think not.

Mr. KELLEY. It was Navy from the start?

- **Capt. CRAVEN.** The Navy had a big base there during the war.

Mr. KELLEY. And there was an order from the Secretary authorizing it and setting aside a certain amount of money for that purpose?

Capt. CRAVEN. Of course, his approval was necessary for the establishment of all these activities. I am not sure what was the nature of the order.

Mr. KELLEY. What I want is the general authority of the Secretary and then the specific authority that was given by the Secretary for each one of these stations, because it is necessary that these should be authorized by some appropriate act, either a general act of Congress or a specific act, in order to give this committee jurisdiction over maintenance and repair and preservation and the building of additional facilities. I wish you would go into that very carefully and advise us exactly where each station is, as you have done here, for which you are asking appropriations this year, and how much for each station, and by what authority the aviation in the Navy was established at that point.

Capt. CRAVEN. You understand, Mr. Chairman, that we have included the Great Lakes; Naval Observatory; Dahlgren, Va.; and the Washington Navy Yard in the table because at those points naval aviation funds are spent. It does not mean that we have stations there.

Mr. KELLEY. I have no doubt but what at the regular established naval bases the appropriations would be proper as a part of the Naval Establishment, but it is only these stations which have sprung up without a specific authorization that we want to establish for the record exactly how they came into being, by what general authority and by what specific authority, and when we get that fixed we will know which ones need any further authorized power and which ones do not.

Capt. CRAVEN. I can run down the list and show you those that are already on Government land or elaborations of existing Government establishments. Hampton Roads is at the naval base at Hampton Roads, Va. It is an aviation station constructed as part of the naval base. Pensacola is the old Pensacola Navy Yard. Rockaway is a new station, and comes in the category that you speak of. Anacostia is also new, but is on Government-owned land. Coco Solo is also new, but is on land owned by the Government in the Canal Zone. San Diego, I have already mentioned, is on land the ownership of which is in dispute. Chatham is on land the purchase of which was authorized during the war. Cape May is on land which was commandeered during the war. Pearl Harbor is on an island which was bought for the joint use of the Army and Navy and appropriated for some years ago; I am unable to state the year. The aircraft factory is in the Philadelphia Navy Yard. The fleet supply base is a part of the naval activities in Brooklyn. The Great Lakes station is a part of the naval training station there. The Naval Observatory is established here in Washington. Lakehurst was authorized two years ago for the purpose of erecting a rigid hangar. The helium plant is in Fort Worth, Tex., authorized

during the war for the production of helium. Dahlgren, Va., is on the proving ground authorized by the Bureau of Ordnance, a regular naval activity. The Washington Navy Yard is here in Washington, a regular Naval Establishment. The marine air station at Quantico is on leased land adjacent or near to the base for marines at Quantico, under authority of the Secretary.

Mr. BYRNES. You have never purchased it?

Capt. CRAVEN. We have not purchased it. It is leased with an option to buy for a definite annual sum. Paris Island is on Government-owned land at the marine training station at that place. San Diego is on land which is owned by the Government and filled in, in which the marines are to be stationed. Haiti and San Domingo are temporary establishments for the marines in the West Indies. The new project on the Pacific coast is the rigid station for which we have appropriated \$2,500,000, but so far have been unable to acquire a site on which to erect that hangar. The matter has been investigated recently by a commission of Congress which went out there and which has recommended a site near San Diego, I understand, though they have not yet submitted their report.

Mr. BYRNES. Not in the Spreckels property?

Capt. CRAVEN. No, sir; not in his compound.

There is one thing just now which I would like to mention before we leave. The experimental work included in the lower left-hand division might be considered as new. Some of this experimental work is being carried on in connection with old activities, but as a general proposition probably it would have to be included as new work.

Mr. KELLEY. Does it require new buildings?

Capt. CRAVEN. No, sir.

Mr. KELLEY. It is only a new activity connected with an old enterprise?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Congress could not legislate as to every little activity that you entered into, everything that would fall naturally and logically in the activity of the aircraft station, but principally as to the stations, ships, and new land. If we clear this up now thoroughly and establish the legal right to maintain these stations, then for all time in the future it will be very easy.

Capt. CRAVEN. Of course, we are very much concerned lest any of this should be thrown out on a point of order or difference of opinion. I will insert in the record at this point the detailed estimates for 1922.

(The table referred to follows)

Estimate of appropriations, aviation, Navy, 1922.

Items.	Department's estimate.				Naval Committee's revision.			
	Number asked.	Bureau of Construction and Repair.	Bureau of Engineering.	Total.	Number asked.	Bureau of Construction and Repair.	Bureau of Engineering.	Total.
(A) Subhead No. 1—Necessary aircraft.								
NC boats.....	2	\$300,000	\$52,000	\$352,000	7	\$105,000	\$181,700	\$286,700
Ship's spotting planes.....	7	105,000	185,700	290,700				
Ship's fighting planes.....	17	297,500	401,000	698,500	17	297,500	364,000	661,500
Torpedo planes.....	33	1,485,000	1,549,000	3,034,000	22	980,000	933,000	1,923,000
Photographic planes.....	8	120,000	33,100	153,100				
Marines:								
Reconnaissance, photographic and bombing planes.....	25	437,500	500,000	937,500	25	437,500	420,000	863,500
Pursuit planes.....	14	245,000	274,800	519,800	14	245,000	244,800	499,800
Practice planes.....	22	330,000	396,000	726,000	22	330,000	352,000	682,000
Total.....	128	3,320,000	3,398,600	6,718,600	107	2,405,000	2,501,500	4,906,500
Free balloons.								
8, 19,000 cubic feet.....	14	{ 32,000	.....	{ 32,000	5	25,000	.....	25,000
8, 35,000 cubic feet.....		{ 23,000	.....	{ 33,000				
Kite balloons.....	34	510,000	.....	510,000	15	225,000	.....	225,000
Small towing airships.....	2	120,000	14,000	134,000	1	52,556	7,444	60,000
2 spare envelopes.....		50,000	.....	50,000				
Nonrigid airships, approximate B size.....	4	300,000	35,000	335,000				
3 spare envelopes.....		90,000	.....	90,000				
Nonrigid airships, approximate C size.....	4	200,000	40,000	240,000				
2 spare envelopes.....		70,000	.....	70,000	4	160,000	.....	160,000
Rigid airships, to be begun ¹	2	2,000,000	684,800	2,684,800				
Spars, envelopes, surfaces, winches, cables, etc., for rigid, nonrigids, and kite balloons.....		.....	.....	.....	150,000	50,000	200,000	
Total.....	60	3,565,000	782,800	4,347,800	25	612,556	57,414	670,000
To continue authorized construction of giant boat.....		200,000	90,000	290,000		200,000	90,000	290,000
To continue miscellaneous new work (in Government plants), uncompleted July 1, 1921.....		200,000	100,000	300,000		100,000	50,000	150,000
To continue authorized construction of one rigid airship ¹.....		.....	.....	.....	800,000	200,000	1,000,000	
Total.....		400,000	190,000	590,000		1,100,000	340,000	1,440,000
Grand total, subhead No. 1.....				11,651,400				7,016,500
(B) Subhead No. 2—Necessary equipment for lighter-than-air and heavier-than-air craft.								
Miscellaneous equipment for new aircraft.....		60,000	.....	60,000		60,000	.....	60,000
Radio accessories and equipment and to replace obsolete equipment.....		578,720	578,720	578,720		379,720	378,720	378,720
Engine spare parts, Liberty, Hispano-Suiza, Union, etc., now in service.....		850,000	850,000	850,000		500,000	500,000	500,000
Power plant equipment for above.....		100,000	100,000	100,000		50,000	50,000	50,000
Total.....		60,000	1,528,720	1,588,720		60,000	928,720	938,720
(C) Subhead No. 4—To continue authorized construction of one rigid airship.								
To continue authorized construction of fleet airship No. 1.....		750,000	100,000	850,000				

Estimate of appropriations, aviation, Navy, 1922—Continued.

Stations.	Department's estimate.			Naval Committee's revision. ¹		
	Bureau of Yards and Docks.	Bureau of Engi- neering.	Total.	Bureau of Yards and Docks.	Bureau of Engi- neering.	Total.
<i>(D) Subhead No. 4—New construction at stations.</i>						
Anacostia.....	\$25,000	.....	\$25,000	.....	.....	\$25,000
Cape May.....	50,000	.....	50,000	\$25,000	.....	402,000
Coco Solo.....	392,000	\$10,000	402,000	392,000	\$10,000	.....
Hampton Roads.....	170,000	8,000	178,000	70,000	8,000	78,000
Lakehurst.....	1,160,000	100,000	1,260,000	860,000	100,000	460,000
Pearl Harbor.....	200,000	10,000	210,000	200,000	10,000	210,000
Pensacola.....	250,000	10,000	260,000	120,000	10,000	130,000
San Diego.....	228,000	41,000	264,000	123,000	41,000	164,000
Great Lakes.....	100,000	.....	100,000	.....	20,000	20,000
Total.....	2,570,000	179,000	2,749,000	1,290,000	199,000	1,480,000
<i>Marines:</i>						
Quantico.....	100,000	25,000	125,000	50,000	.....	50,000
San Diego (Dutch Flats).....	100,000	.....	100,000	50,000	.....	50,000
400,000	25,000	425,000	75,000	.....	.....	75,000
Total.....	600,000	50,000	650,000	175,000	.....	175,000
<i>New projects (proposed stations):</i>						
Cavite.....	500,000	10,000	510,000	.....	.....	.....
Pacific coast (rigid station), (including procurement of land).....	1,200,000	250,000	1,450,000	1,200,000	250,000	1,450,000
Total.....	1,700,000	260,000	1,960,000	1,200,000	250,000	1,450,000
Grand total.....	4,870,000	489,000	5,359,000	2,665,000	449,000	3,114,000

Items.	Depart- ment's estimate, Bureau of Navigation.	Naval Commit- tee's re- vision, Bureau of Navigation.
<i>(E) Subhead No. 5—Navigation, new equipment.</i>		
Navigation equipment.....	\$28,250	\$16,250
Photographic equipment.....	46,000	16,000
Aerological equipment.....	20,000	7,000
Equipment and installation of instrument repair shops.....	25,000	10,000
Total.....	119,250	49,250

¹ Subhead No. 3.

Estimate of appropriations, aviation, Navy, 1922—Continued.

Stations and activities.	Department's estimate.					Naval Committee's revision. ¹					
	Bureau of Construction and Repair.	Bureau of Eng. Engr. neering.	Bureau of Yards and Docks.	Bureau of Supplies and Accounts.	Bureau of Navigation.	Total.	Bureau of Construction and Repairs.	Bureau of Eng. Engr. neering.	Bureau of Yards and Docks.	Bureau of Supplies and Accounts.	Bureau of Navigation.	Total.
(F) Subhead No. 6.—Maintenance and operation of aircraft factory, helium plant, etc.					\$3,000						\$3,000
Langley:					3,000						3,000
Shawmut:					1,000	1,000					1,000
N. C. tender:					614,455	618,000	\$439,855	\$50,000	\$6,000		617,455
Battleships landing field:					3,000	3,000					3,000
Wright:					3,000	3,000					3,000
Arctic:					1,000	1,000					1,000
N. C. tender:					614,455	618,000	\$439,855	\$50,000	\$6,000		617,455
Battleships landing field:					3,000	3,000					3,000
Hampton Roads:					5,000	5,000					5,000
Pensacola:					1,255,770	190,000	584,770	250,000	25,000		1,262,162
Rochester:					2,400	4,000	30,000	45,000	30,000		6,000
Anacostia:					126,610	150,000	30,000	30,000	30,000		150,000
Anacostia:					15,000	54,413	30,000	104,613	6,000		60,613
Coco Solo:					146,410	50,000	1,200	4,000	222,410		200,000
San Diego:					78,000	427,600	50,000	5,000	782,600		782,600
Chatham:					3,600	31,340	30,000	1,800	66,740		5,000
Cape May:					90,000	389,460	150,000	2,000	665,460		573,581
Pearl Harbor:					107,290	180,000	9,000	4,000	350,280		150,000
Aircraft factory and Philadelphia Navy Yard:					286,600	100,000	33,000	1,044,600	90,000		519,000
Fleet supply base:					44,000	44,000	36,000	44,000	40,000		20,000
Great Lakes:					36,000	36,000	40,000	50,600	36,000		60,600
Naval Observatory:					300,000	400,000	3,000	4,000	807,000		20,000
Lakehurst:					814,000	30,000	3,600	817,600	134,000		757,000
Helium plant:								36,000	367,000		
Dahlgren, Va. Navy Yard (wind tunnel and engine testing laboratory):	6,000							3,000	15,000		18,000
Marietta:	15,000										65,000
Quantico:	40,000										282,412
Port Royal:	20,000										10,000
	47,236										500

¹ Subhead No. 5.

Estimate of appropriations, aviation, Navy, 1923—Continued.

Stations and activities.	Department's estimate.					Naval Committee's revision.							
	Bureau of Construction and Repair.	Bureau of Eng.-neering.	Bureau of Yards and Docks.	Bureau of Supplies and Accounts.	Bureau of Navigation.	Total.	Bureau of Construction and Repair.	Bureau of Eng.-neering.	Bureau of Yards and Docks.	Bureau of Supplies and Accounts.	Bureau of Navigation.	Total.	
Marines—Continued.													
San Diego (Dutch Flats).	\$12,000	\$26,940	\$20,000	\$4,900	\$118,940	\$12,000	\$36,940	\$30,000	\$21,000	\$4,900	\$10,000	\$78,940	
Haiti.....	20,000	105,160	12,000	5,000	154,960	21,000	100,352	21,000	21,000	5,000	1,200	157,122	
San Domingo.....	12,000	53,172	12,000	5,000	52,172	6,000	36,900	6,000	60,000	3,000	1,200	90,900	
Guan.....	6,000	36,600	60,000	3,000	90,600								
New Projects:													
Pacific coast (rigid station).....			150,000	30,000	2,000	110,900							
Cavite.....	12,000	66,900	30,000	15,000	15,000	110,900							
Miscellaneous.....													
Clothing.....													
Overhaul of planes drawn from stores.....	820,000	150,000	300,000	50,000	25,000	980,000	150,000	41,000	22,000	38,000	11,000	5,000	
Miscellaneous (claims, etc.).....	173,160	210,000	300,000	50,000	25,000	753,160	22,000	22,000	22,000	22,000	7,000	200,000	
Total.....	2,359,768	5,519,264	2,702,000	680,400	206,200	11,336,630	1,182,100	3,785,920	1,727,000	439,400	150,700	7,286,120	

Estimate of appropriations, aviation, Navy, 1922—Continued.

Department's estimate.						Naval Committee's revision. ¹					
Items.	Number asked.	Bureau of Construction and Repair.	Bureau of Engineering.	Bureau of Navigation.	Total.	Number asked.	Bureau of Construction and Repair.	Bureau of Engineering.	Bureau of Navigation.	Total.	
(G) Subhead No. 1.—Experimental work, development of all types of aircraft.											
Experiments in regard to launching devices, catapults, arresting gear, etc., and antiaircraft defenses.....		\$200,000			\$200,000		\$200,000			\$200,000	
Experimental type A planes.....	3	75,000	\$70,000		145,000	3	75,000	\$70,000		145,000	
Experimental type B planes.....	3	90,000	80,000		170,000	3	90,000	80,000		170,000	
Experimental type C planes.....	3	150,000	100,000		250,000	3	150,000	100,000		280,000	
Experimental miscellaneous construction.....		175,000			175,000		175,000			175,000	
Total.....	9	690,000	250,000		940,000	9	690,000	250,000		940,000	
Experimental twin-engine airship.....	1	110,000	30,000		140,000						
Combined lighter-than-air and heavier-than-air craft:											
Experimental research on materials, accessories, etc.....		1,000,000	1,500,000		2,500,000		565,000	800,000		1,365,000	
To complete miscellaneous experiments uncompleted July 1, 1921.....		100,000			100,000		75,000			75,000	
Optical equipment.....					\$5,000	5,000				\$5,000	
Aneroid instruments.....					3,000	3,000				3,000	
Photographic appliances.....					10,000	10,000				10,000	
Aerological appliances.....					5,000	5,000				5,000	
Miscellaneous.....					2,000	2,000				2,000	
Total.....		1,100,000	1,500,000		25,000	2,625,000		640,000	800,000	25,000	1,465,000
Total.....		1,900,000	1,780,000		25,000	3,705,000		1,330,000	1,050,000	25,000	2,405,000
Grand total.....					3,705,000					2,405,000	
(H) Subhead No. 8.—Drafting, clerical, and technical help at stations.											
Classified force.....					400,000					² 400,000	
Grand total.....					35,000,000					21,250,500	

¹ Subhead No. 6.² Subhead No. 7.

SUMMARY OF APPENDICES FOR FIRST DAY'S HEARINGS OF CAPT. CRAVEN.

- A. Naval officers, aviation, by rank and pay, 1921 and 1922.
- B. Officers and men, Marine Corps, rank, rates, pay, 1921 and 1922.
- C. Civilian employees chargeable to aviation, and pay.
- D. Recapitulation, all charge against aviation.

NAVAL APPROPRIATION BILL, 1922.

E. Officers and men listed by stations and subheaded into flying officers, ground officers, etc.

F. Legal status, air stations.

G. Legal status, aviation personnel.

[Inclosure A.]

1. Estimate of officers of Navy by ranks on duty in connection with aviation November 30, 1921, with total pay and allowances.

2. Estimate by ranks and pay for a total of 844 officers for 1922.

Complement and pay of naval aviation officer personnel, estimated for fiscal year 1921, as of Nov. 30, 1920.

Officer personnel.	Number.	Base pay.	War increase.	Flying pay.	Allowances.		Yearly pay for officers.	Total.
					Heat and light.	Commutation for quarters.		
Naval aviators:				50 per cent of base pay.				
Captains.....	1	\$5,000.00	\$600.00	1,950.00	8317.35	\$1,008.00	\$6,925.35	\$6,925.35
Commanders.....	8	4,500.00	600.00	1,250.00	287.70	864.00	8,501.70	68,013.60
Lieutenant commanders.....	30	3,900.00	840.00	1,950.00	255.65	720.00	7,665.65	229,969.50
Lieutenants.....	70	2,880.00	720.00	1,440.00	204.50	576.00	5,820.50	407,435.00
Lieutenants (J. g.).....	148	2,200.00	600.00	1,100.00	152.30	432.00	4,484.30	663,676.40
Ensigns.....	93	1,870.00	420.00	935.00	105.40	288.00	3,618.40	336,511.20
Chief warrants.....	8	1,870.00	420.00	935.00	105.40	288.00	3,618.40	28,947.20
Warrants.....	8	1,625.00	240.00	813.00	105.40	288.00	3,071.40	24,571.20
				55 per cent of base pay.				1,766,049.45
Student naval aviators:								
Lieutenant commanders.....	2	3,900.00	840.00	1,365.00	255.65	720.00	7,080.65	14,161.30
Lieutenants.....	21	2,880.00	720.00	1,008.00	204.50	576.00	5,388.60	113,158.50
Lieutenants (J. g.).....	9	2,200.00	600.00	770.00	152.30	432.00	4,154.30	37,388.70
Ensigns.....	5	1,870.00	420.00	654.50	105.40	288.00	3,337.90	16,688.60
Chief warrants.....	2	1,870.00	420.00	654.50	105.40	288.00	3,337.90	6,675.80
Warrants.....	14	1,625.00	240.00	568.75	105.40	288.00	2,827.15	38,580.10
								227,653.00
Ground officers:								
Captains.....	5	5,000.00	600.00	.....	317.35	1,008.00	6,925.35	34,626.75
Commanders.....	2	4,500.00	600.00	.....	287.70	864.00	6,251.70	12,503.40
Lieutenant commanders.....	10	3,900.00	840.00	.....	255.65	720.00	5,715.65	57,156.50
Lieutenants.....	28	2,880.00	720.00	.....	204.50	576.00	4,380.50	122,654.00
Lieutenants (J. g.).....	20	2,200.00	600.00	.....	152.30	432.00	3,384.30	67,686.00
Ensigns.....	22	1,870.00	420.00	.....	105.40	288.00	2,683.40	59,034.80
Chief warrants.....	6	1,870.00	420.00	.....	105.40	288.00	2,683.40	16,100.40
Warrants.....	30	1,625.00	240.00	.....	105.40	288.00	2,258.40	67,752.00
								437,513.85
Staff officers:								
Commanders.....	8	4,500.00	600.00	.....	287.70	864.00	6,251.70	50,013.60
Lieutenant commanders.....	10	3,900.00	840.00	.....	255.65	720.00	5,715.65	57,156.50
Lieutenants.....	28	2,880.00	720.00	.....	204.50	576.00	4,380.50	122,654.00
Lieutenants (J. g.).....	18	2,200.00	600.00	.....	152.30	432.00	3,384.30	60,917.40
Ensigns.....	4	1,870.00	420.00	.....	105.40	288.00	2,683.40	10,733.00
Chief warrants.....	2	1,870.00	420.00	.....	105.40	288.00	2,683.40	5,366.80
Warrants.....	13	1,625.00	240.00	.....	105.40	288.00	2,258.40	28,359.20
	631							388,767.10
Additional for above officers on sea duty:					10 per cent of base pay for sea duty.			
Captains.....	2	5,000.00	.....	.....	.....	500.00	1,000.00	
Commanders.....	3	4,500.00	.....	.....	.....	450.00	1,350.00	
Lieutenant commanders.....	13	3,900.00	.....	.....	.....	390.00	5,070.00	
Lieutenants.....	28	2,880.00	.....	.....	.....	268.00	7,964.00	
Lieutenants (J. g.).....	52	2,200.00	.....	.....	.....	220.00	11,440.00	
Ensigns.....	27	1,870.00	.....	.....	.....	187.00	5,049.00	
Warrants.....	10	1,750.00	.....	.....	.....	175.00	1,750.00	
					•			33,628.00
								2,853,607.30

NOTE.—Prepared in aviation section of Operations; has been referred to Bureau of Supplies and Accounts for checking.

Complement and pay of naval aviation officer personnel proposed for 1922.

Officers.	Num- ber.	Base pay.	War increas. e.	Flying pay.	Allowances.		Yearly pay for officers.	Total.
					Heat and light.	Commu- nica- tion for quarters.		
<i>50 per cent of base pay.</i>								
Naval aviators:								
Captains.....	1	\$5,000.00	\$600.00	.....	\$317.35	\$1,006.00	\$6,925.35	\$6,925.35
Commanders.....	10	4,500.00	600.00	\$2,250.00	287.70	864.00	8,501.70	85,017.00
Lieutenant com- manders.....	45	3,900.00	840.00	1,950.00	255.65	720.00	7,665.65	344,954.25
Lieutenants.....	120	2,880.00	720.00	1,440.00	204.50	576.00	5,820.50	756,985.00
Lieutenants (j. g.).....	212	2,200.00	600.00	1,100.00	152.30	432.00	4,484.30	950,671.60
Ensigns.....	93	1,870.00	420.00	935.00	105.40	288.00	3,618.40	336,511.20
Chief warrants.....	8	1,870.00	420.00	935.00	105.40	288.00	3,618.40	28,947.20
Warrants.....	8	1,625.00	240.00	813.00	105.40	288.00	3,071.40	24,571.20
								<u>2,534,362.80</u>
<i>55 per cent of base pay.</i>								
Student naval aviators:								
Lieutenant com- manders.....	2	3,900.00	840.00	1,365.00	255.65	720.00	7,080.65	14,161.30
Lieutenants.....	21	2,880.00	720.00	1,008.00	204.50	576.00	5,388.50	113,158.50
Lieutenants (j. g.).....	9	2,200.00	600.00	770.00	152.30	432.00	4,154.30	37,388.70
Ensigns.....	5	1,870.00	420.00	654.00	105.40	288.00	3,337.90	16,689.50
Chief warrants.....	2	1,870.00	420.00	654.50	105.40	288.00	3,337.90	6,875.80
Warrants.....	14	1,625.00	240.00	568.75	105.40	288.00	2,827.15	39,580.10
								<u>227,653.90</u>
<i>Ground officers:</i>								
Captains.....	7	5,000.00	600.00	.....	317.35	1,006.00	\$6,925.35	48,477.45
Commanders.....	3	4,500.00	600.00	.....	287.70	864.00	8,251.70	18,755.10
Lieutenant com- manders.....	16	3,900.00	840.00	.....	255.65	720.00	5,715.65	91,450.40
Lieutenants.....	40	2,880.00	720.00	.....	204.50	576.00	4,380.50	175,220.00
Lieutenants (j. g.).....	24	2,200.00	600.00	.....	152.30	432.00	3,384.30	81,223.20
Ensigns.....	22	1,870.00	420.00	.....	105.40	288.00	2,683.40	59,034.80
Chief warrants.....	6	1,870.00	420.00	.....	105.40	288.00	2,683.40	16,100.40
Warrants.....	45	1,625.00	240.00	.....	105.40	288.00	2,258.40	101,628.00
								<u>591,889.35</u>
<i>Staff officers:</i>								
Commanders.....	8	4,500.00	600.00	.....	287.70	864.00	6,251.70	50,013.60
Lieutenant com- manders.....	20	3,900.00	840.00	.....	255.65	720.00	5,715.65	114,313.00
Lieutenants.....	44	2,880.00	720.00	.....	204.50	576.00	4,380.50	192,742.00
Lieutenants (j. g.).....	20	2,200.00	600.00	.....	152.30	432.00	3,384.30	67,686.00
Ensigns.....	4	1,870.00	420.00	.....	105.40	288.00	2,683.40	10,783.50
Chief warrants.....	2	1,870.00	420.00	.....	105.40	288.00	2,683.40	5,366.80
Warrants.....	29	1,625.00	240.00	.....	105.40	288.00	2,258.40	65,493.60
								<u>506,348.60</u>
<i>Additional for above officers on sea duty:</i>								
Captains.....	4	5,000.00	.....	.....	.....	500.00	2,000.00	2,000.00
Commanders.....	6	4,500.00	.....	.....	.....	450.00	2,700.00	2,700.00
Lieutenant com- manders.....	44	3,900.00	.....	.....	.....	390.00	17,160.00	17,160.00
Lieutenants.....	104	2,880.00	.....	.....	.....	288.00	29,952.00	29,952.00
Lieutenants (j. g.).....	122	2,200.00	.....	.....	.....	220.00	26,840.00	26,840.00
Ensigns.....	27	1,870.00	.....	.....	.....	187.00	3,179.00	3,179.00
Warrants.....	41	1,750.00	.....	.....	.....	175.00	7,175.00	7,175.00
								<u>89,006.00</u>
								<u>3,949,160.65</u>

[Inclosure B.]

PAY AND RANKS AND RATES, MARINE CORPS.

1. Officers, 1921.
2. Men, 1921.
3. Officers, 1922.
4. Men, 1922.

Pay and allowance table covering officers and enlisted men of Marine Corps, aviation, as of Nov. 30, 1920, for fiscal year 1921.

	Base pay.	Flight pay.	Commuta-tion of quarters, heat, and light.	Bonus.	Total.
3 majors (10 years' service).....	\$10,900.00	\$5,400.00	\$2,920.68	\$2,520.00	\$21,440.68
1 major (10 years' service).....	3,600.00	1,800.00	840.00	6,240.00	6,240.00
11 captains (10 years' service).....	26,040.00	13,332.00	8,304.40	7,920.00	59,366.40
1 captain ¹ (10 years' service).....	2,640.00	1,320.00	720.00	4,680.00	4,680.00
10 first lieutenants.....	20,000.00	9,100.00	6,877.20	6,000.00	41,977.20
1 first lieutenant ¹	2,000.00	1,000.00	600.00	3,600.00	3,600.00
25 second lieutenants.....	42,500.00	19,978.00	11,061.00	10,500.00	84,040.00
1 second lieutenant ¹	1,700.00	850.00	420.00	2,970.00	2,970.00
4 gunners.....	6,500.00	2,240.00	1,768.76	.....	10,508.76
57 Total.....	.....	.....	.....	.....	235,754.04

¹ Occupying public quarters.

Enlisted men, 1921.

	Base pay.	Flight pay.	Commuta-tion of quarters, heat, and light.	Additional rations.	Total.
2 sergeant majors (10 years' service).....	\$2,486.40	.....	\$514.32	\$386.90	\$3,387.62
8 quartermaster sergeants (10 years' service).....	9,945.60	.....	2,068.28	1,547.60	13,551.48
4 first sergeants.....	3,707.20	\$1,272.00	.....	773.80	5,753.00
32 gunnery sergeants.....	30,822.40	10,176.00	.....	6,190.40	47,188.80
62 sergeants.....	41,176.00	16,740.00	.....	.....	57,916.00
114 corporals.....	60,739.20	.....	.....	.....	60,739.20
622 privates ¹	256,500.00	.....	.....	.....	256,500.00
8 trumpeters.....	2,880.00	.....	.....	.....	2,880.00
922 Total.....	.....	.....	.....	.....	450,916.00

¹ Includes 173 privates, first class.

Rations at \$0.68 per diem for fiscal year 1921:

2 sergeant majors.....	.....	\$406.40
8 quartermaster sergeants.....	.....	1,386.60
4 first sergeants.....	.....	982.80
32 gunnery sergeants.....	.....	7,042.40
62 sergeants.....	.....	15,388.40
114 corporals.....	.....	28,294.80
700 privates (first class), privates and trumpeters.....	.....	173,740.00
Total.....	.....	228,540.40
Total pay.....	.....	450,916.00
Grand total.....	.....	678,756.40

Pay and allowance table covering 104 officers and 957 enlisted men for fiscal year of 1922.

	Base pay.	Flight pay.	Commuta-tion of quarters, heat, and light.	Bonus.	Total.
6 majors (10 years' service).....	\$21,600.00	\$10,800.00	\$5,841.36	\$5,040.00	\$43,281.36
1 major ¹ (10 years' service).....	3,600.00	1,800.00	840.00	6,240.00	6,240.00
14 captains (10 years' service).....	36,960.00	16,752.00	11,207.60	10,080.00	74,999.60
1 captain ¹ (10 years' service).....	2,640.00	1,320.00	720.00	4,680.00	4,680.00
35 first lieutenants.....	70,000.00	34,400.00	21,882.00	21,000.00	147,282.00
1 first lieutenant ¹	2,000.00	700.00	600.00	3,300.00	3,300.00
45 second lieutenants.....	75,500.00	37,230.00	10,908.80	18,900.00	152,538.80
1 second lieutenant.....	1,700.00	565.00	420.00	2,715.00	2,715.00
10 warrant officers.....	16,250.00	5,687.50	4,424.40	.....	26,361.90
114 Total.....	.....	.....	.....	.....	451,399.66

¹ Occupying public quarters.

Enlisted men (1922).

	Base pay.	Flight pay.	Commuta- tion of quarters, heat, and light.	Additional rations.	Total.
3 sergeants major (10 years' ¹ service).....	\$3,729.60		\$663.84	\$580.35	\$4,973.79
10 quartermaster sergeants (10 years' service).....	12,432.00		2,212.80	1,934.50	16,579.30
34 first sergeants.....	28,111.20	\$10,812.00		5,977.30	44,900.50
66 gunnery sergeants.....	50,371.20	20,988.00		12,767.70	84,126.90
200 sergeants.....	108,000.00	6,480.00			114,480.00
248 corporals.....	132,134.40				132,134.40
376 privates ¹	149,820.00				149,820.00
20 trumpeters.....					
957 Total.....					557,014.89

¹ One quarter first-class privates.

Rations at \$0.68 per diem for fiscal year 1922:

3 sergeant majors	\$744.60
10 quartermaster sergeants	2,482.00
34 first sergeants	8,438.60
66 gunnery sergeants	16,381.20
200 sergeants	49,640.00
248 corporals	61,553.60
376 privates (first class), privates and trumpeters	98,287.20
Total.....	237,527.40
Total pay.....	557,014.89
Grand total.....	794,542.29

[Inclosure C.]

ESTIMATE.

Civilian personnel on November 30, 1920, employed directly or incidentally on aviation against all divisions of naval appropriation act, 1921, and number in department chargeable to legislative, executive, and judicial act, including yearly pay.

The naval act for the fiscal year 1921 contains the following provisions:

"That the sum to be paid out of this appropriation under the direction of the Secretary of the Navy for drafting, clerical, inspection, and messenger service for aircraft stations shall not exceed \$275,000.

► "All classified employees at naval air stations, with a few exceptions are paid from this appropriation.

"The naval aircraft factory at Philadelphia is regarded as an activity of the Bureau of Construction and Repair, and no part of the clerical, inspection, messenger forces, etc., at that place are paid from the appropriation 'Aviation.' The force engaged in handling stores is paid from the appropriation 'Maintenance, Bureau of Supplies and Accounts.' On July 13, 1920, a part of the force formerly paid from the appropriation 'Construction and repair' was transferred to the appropriation 'Engineering' due to the engine repair work being transferred from the naval aircraft storehouse at Gloucester, N. J."

Classified clerical, messenger, drafting, technical forces, etc., at naval air stations and at naval aircraft factory, Philadelphia, Pa.

SUMMARY.

Number of employees.	Annual pay.
-------------------------	-------------

I.—Amounts not chargeable to pay of clerical, messenger, drafting, technical forces:

Aviation.....	16	\$20,967.64
Maintenance, Supplies and Accounts.....	28	15,472.12

44 36,439.76 \$36,439.76

	Number of employees.	Annual pay.
II.—Appropriation chargeable naval aircraft factory:		
Construction and Repair.....	124	\$223, 717. 42
Engineering.....	33	46, 537. 36
Maintenance, Supplies and Accounts.....	83	59, 568. 76
	<hr/>	<hr/>
	240	329, 823. 54
III.—Naval air stations:		
Aviation.....	146	256, 824. 24
Pay, miscellaneous.....	1	1, 432. 28
Engineering.....	7	14, 299. 32
Maintenance, Supplies and Accounts.....	8	10, 871. 24
Maintenance, Yards and Docks.....	2	2, 324. 52
	<hr/>	<hr/>
	164	285, 751. 60
Total.....		285, 751. 60
Less total of "I" above.....		652, 014. 90
		36, 439. 76
		<hr/>
		615, 575. 14

Total chargeable to pay of clerical, messenger, drafting, technical forces at air stations and aircraft factory.

	Number of employees.	Annual pay
Aviation.....	146	\$256, 824. 24
Pay, miscellaneous.....	1	1, 432. 28
Construction and Repair.....	124	223, 717. 42
Engineering.....	40	60, 836. 68
Maintenance, Supplies and Accounts.....	91	70, 440. 00
Maintenance, Yards and Docks.....	2	2, 324. 52
		<hr/>
		\$615, 575. 14

For distribution, see Appendix A.

Summary of classified employees.

	Number	Amount annual pay.
Chargeable in Navy appropriation bill.....	448	\$652, 014. 90
Chargeable to other appropriations than Navy ¹	74	124, 854. 40
Total classified, all bills.....	522	776, 869. 30

¹ See X b l. w.

On November 20, 1920, there was estimated to be 726 unclassified employees performing labor at stations. These men are charges against specific work or projects in the yearly bills. They are in no sense a continuing charge against aviation.

X.—Estimate of employees in Washington chargeable to legislative, executive, and judicial bill, performing aviation duties.

Bureau or office.	Employ- ees.	Annual pay.
Operations.....	11	\$13, 900. 00
Navigation.....	3	3, 500. 00
Construction and Repair.....	42	80, 614. 80
Engineering.....	10	11, 700. 00
Ordnance.....	2	3, 704. 00
Yards and Docks.....	6	11, 435. 60
Total.....	<hr/>	<hr/>
	74	124, 854. 40

APPENDIX A.

Distribution of classified employees paid from "Aviation (Navy)" at naval air stations.

The classified employees on duty at United States naval air stations are 146 in number at a total annual cost of \$256,824.24. The appropriation for this purpose is \$275,000. The classified employees in question are distributed as follows:

	Number.	Annual pay.
Rockaway, Long Island, N. Y.:		
Clerks.....	5	\$7,255.32
Lakehurst, N. J.:		
Clerks.....	9	
Technical men.....	17	
Cape May, N. J.:		
Clerks.....	3	
Technical men.....	5	
Hampton Roads, Va.:		
Clerks.....	6	
Technical men.....	1	
Anacostia, D. C.:		
Clerks.....	1	
Technical men.....	1	
Pensacola, Fla.:		
Clerks.....	64	
Technical men.....	5	
San Diego, Calif.:		
Clerks.....	29	110,802.12
Total.....	146	48,368.80
Total.....	146	256,824.24

[Inclosure D.]

RECAPITULATION.

All charges against aviation, other bureaus, other bills than naval bills, and the charges in appropriation aviation—Navy:

Recapitulation of estimated expenses chargeable directly to aviation by other bureaus other bills than naval bills, and charges in appropriation "Aviation, Navy."

Item.	1921	1922
1. Pay, allowances, subsistence, etc., of officers.....	\$2,853,607.30	\$3,949,160.65
2. Pay, allowances, subsistence, etc., of men.....	7,407,474.40	9,879,982.00
3. Aviation classified employees other than aviation estimates.....	520,045.06	520,045.06
4. Estimated amount appropriation "Ordnance, Navy," expended on aviation, ordnance material, and maintenance of ordnance material ..	512,986.75	580,000.00
5. "Aviation, Navy," estimate appropriations.....	21,000,000.00	21,159,590.00
6. Against Engineering.....	129,000.00	129,000.00
7. Against Navigation.....	2,253.07	2,253.07
8. Against Supplies and Accounts.....	191,800.00	191,800.00
9. Against Construction and Repairs.....	65,000.00	65,000.00
10. Against Medicine and Surgery.....	168,704.79	168,704.79
11. Marine Corps officers.....	235,754.00	461,399.65
12. Marine Corps men.....	679,756.40	794,542.29
Total.....	33,766,381.77	38,001,477.51

In addition to civilians of item 3 above, an average of 726 unclassified employees perform duties at stations. Charges for these men is a charge against aviation's yearly appropriation. Number varies with projects being worked on. Bonus is not included in the total.

Certain amounts are charged by local paymasters in stations against miscellaneous appropriations of other bureaus, as Maintenance, Supplies and Accounts, Medical Department, fuel and transportation, etc., as estimated in items 6, 7, 8, 9, and 10. Medicine and Surgery includes carrying expenses of Pensacola Hospital.

NOTE.—Estimate is prepared in the Aviation Section, Operations. Bureau items will be referred to bureaus for checking. A certain amount of additional overhead of aviation is carried by the Navy as recruiting and transportation, prison and discipline expense, departmental overhead for administration, Navy supply and pay systems, which can not be estimated, except that aviation personnel represents about 4 per cent of the Navy.

[Inclosure E.]

Naval Aviation personnel, Nov. 30, 1920.

Station or detachment.	Officers.				Enlisted.			Ratings.	
	Total.	Aviators.	Student aviators.	Ground officers.		Pilots.			
				Line.	Staff.	H/A.	L/A.		
Atlantic Fleet air force.....	75	52	3	16	4	1	9	454	
Pacific Fleet air force.....	60	44	2	9	5	10	6	568	
Abroad.....	16	13	0	1	2	.....	4	35
Anacostia.....	18	12	1	2	3	1	.....	210
Cape May.....	4	0	0	2	2	.....	.....	26
Chatham.....	1	0	0	1	0	.....	.....	15
Coco Solo.....	27	13	1	9	4	.....	1	141
Danlgren.....	1	1	0	0	0	.....	.....	63
Great Lakes.....	10	2	0	8	0	.....	.....	1,430
Hampton Roads.....	67	51	1	8	7	3	3	720	
Lakehurst.....	2	0	0	0	2	.....	.....	.....
Pearl Harbor.....	14	11	0	0	3	.....	.....	77
Pensacola.....	121	55	32	17	17	12	7	760	
Rockaway.....	30	16	0	6	8	.....	.....	447
San Diego.....	73	51	1	7	14	.....	8	797
Navy Department.....	44	16	0	18	10	.....	.....	.....
Hospitals.....	7	6	0	1	0	.....	.....	.....
Aircraft factory.....	20	6	0	4	10	.....	.....	.....
Army fields (training land planes).....	25	13	12	0	0	.....	.....	.....
McCook Field (experimental).....	1	1	0	0	0	.....	.....	.....
Recruiting.....	1	0	0	0	0	.....	.....	.....
Naval Academy (postgraduate).....	2	2	0	2	0	.....	.....	.....
Inspection.....	12	2	0	6	4	.....	.....	.....
Total.....	631	386	53	117	95	27	33	5,743	

¹ Includes total 1,430 with 1,193 under instruction for aviation; navigation has additional men for machine rating general at this school under training. The original figure (submitted to the committee) of 2,931 men at Great Lakes for training school and overhead was furnished by the Bureau of Navigation. This figure has been corrected. Aviation has but 1,193 men under instruction and 237 instructors and aviation ratings.

² Includes 23 officers under training. New class, 37 additional officers, started Dec. 1, 1920.

NAVAL APPROPRIATION BILL, 1922.

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[Inclosure F.]

Legal status of naval air stations—Authority for establishment of aviation stations.

Name of station or activity.	When established.	By what authority.	Is the land Government owned?	Was the land acquired primarily for the purpose of establishing this aviation activity?	Was it in possession of the Navy before this aviation activity was started there?
United States Naval Air Station: United States naval operating base, Hampton Roads, Va.	Sept. 8, 1917...	Secretary of the Navy, under urgent deficiency act approved June 15, 1917.	Yes.....	Land was acquired under urgent deficiency act, approved June 15, 1917, for the purpose of establishing a naval operating base (40 Stat. L4, 207).	No.
Pensacola, Fla.	Nov. 16, 1914; air activities had been carried on since 1914, but air station was formally so named on Dec. 7, 1917.	Secretary of the Navy, under naval act approved Aug. 29, 1916 (39 Stat. L., 560).	Yes.....	No; was formerly navy yard, Pensacola; changed title to naval station in 1918.	Yes.
Rockaway, N. Y.	Apr. 16, 1917	do.....	No; held under permit from commissioner of parks of city of New York; no rental is charged; steps are under way to acquire title; city of New York will transfer to Navy subject to congressional authority to accept.	Yes.....	No.
Experimental station, Anacostia, D. C.	Oct. 19, 1917...	Secretary of the Navy, under naval appropriation act approved June 15, 1917.	Yes; by War Department, which department has authorized use by Navy.	No.....	No; Army.
Coco Solo Canal Zone.	July, 1917.....	Secretary of the Navy, under Executive order of the President No. 2257 of Apr. 9, 1920; prior to that, under naval appropriation act approved June 15, 1917.	Yes.....	No; was previously owned by the Government; was transferred to Navy Department for specific purpose of a naval reservation; a submarine base and air station was established thereon.	No; was under Army.

Legal status of naval air stations—Authority for establishment of aviation stations—Contd.

Name of station or activity.	When established.	By what authority.	Is the land Government owned?	Was the land acquired primarily for the purpose of establishing this aviation activity?	Was it in possession of the Navy before this aviation activity was started there?
United States Naval Air Station—Contd. San Diego, Calif.	July 27, 1917..	Presidential proclamation under special act approved July 27, 1917 (40 Stat. L., 247).	No.....	Yes.....	No.
Chatham, Mass.	June 15, 1917..	Secretary of the Navy, under urgent deficiency act approved June 15, 1917 (40 Stat. L., 203).	It is under purchase; same not completed yet.	Yes.....	No.
Cape May, N. J.	Oct. 6, 1917..	Special act of Congress Oct. 6, 1917, to provide for the acquisition of an air station site for the United States Navy" (40 Stat. L., 344), as modified by naval appropriation act of July 1, 1918 (40 Stat. L., 720-721), authorizing President to take immediate possession.	Under purchase.	Yes.....	No.
Pearl Harbor, Hawaii.	Nov. 26, 1919..	Secretary of the Navy, under authority of the naval appropriation act approved July 1, 1918.	Yes.....	Ford Island was purchased under authority of naval act of July 1, 1918, for joint use by the Army and Navy for aviation purposes.	No.
Lakehurst, N. J.	May 16, 1919..	Secretary of the Navy, under naval appropriation act approved July 1, 1918 (40 Stat. L., 708), "Aviation to be expended under the direction of the Secretary of the Navy * * * including acquisition of land by purchase * * *."	Under purchase now.	Yes.....	No.
Naval aircraft factory, navy yard, Philadelphia, Pa.	July 10, 1917..	Secretary of the Navy, under naval appropriation act approved June 15, 1917.	Yes.....	No.....	Yes.
United States naval training station, Great Lakes, Ill., facilities for training reserve officers. Helium production plant, Fort Worth, Tex.	June, 1917....	Secretary of the Navy, under urgent deficiency act approved June 15, 1917.	Yes.....	No; it was part of the training station.	Yes.
Wind tunnel and engine testing laboratory at United States navy yard, Washington, D. C.	November, 1917.	Established as an adjunct to model basin in 1915 from Construction and Repair funds; not paid for from aviation funds.	Act of June 15, 1917.. Secretary of the Navy..	Yes..... Yes.....	Yes..... No.....
					Yes; part of navy yard.

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Legal status of naval air stations—Authority for establishment of aviation stations—Contd.

Name of station or activity.	When established.	By what authority.	Is the land Government owned?	Was the land acquired primarily for the purpose of establishing this aviation activity?	Was it in possession of the Navy before this aviation activity was started there?
Marine flying field, marine barracks: Parris Island, S. C.	May 21, 1919.	Secretary of the Navy under naval appropriation bill for fiscal year 1919.	Yes; purchased under naval appropriation act July 1, 1918, appropriating \$150,000 under "Marine recruiting station, Port Royal, S. C."	No.....	Yes.
Quantico, Va.	June 12, 1919.	.....do.....	No; leased..	Leased for aviation purposes.	No.
San Diego, Calif. (Dutch Flats).	Not yet established.	Secretary of the Navy under naval appropriation bill for fiscal year 1921.	Yes.....	No.....	Yes.
First Air Squadron, Santo Domingo, Dominican Republic, Fourth Air Squadron, Port au Prince, Republic of Haiti.	Santo Domingo, February 10, 1919; Haiti, February 18, 1919.	Secretary of the Navy under naval appropriation bill for fiscal year 1920.	No; leased..	Yes.....	No.
Flight L, United States Marine Corps, Guam.	Not yet established; personnel and material en route.	Secretary of the Navy under naval appropriation bill for fiscal year 1921.	Location not yet decided upon board now sitting to determine location.	Not yet located; probably Government land.	If Government land, yes.
Pacific coast rigid station; not yet fixed.	Not yet established; legislation has been requested authorizing the procurement of a site at Camp Kearny, Calif.	Not yet authorized; hangar is, however, authorized in naval appropriation act approved June 4, 1920.	Not yet procured.	It will have been, when it is finally procured.	No.

[Inclosure G.]

LEGAL STATUS OF NAVAL AVIATION PERSONNEL.

JANUARY 24, 1921

1. The act of August 29, 1916, limits the maximum number of Regular Navy personnel allowed to be ordered to duty involving actual flying at any one time, as follows:

Officers, 150; enlisted men, 350.

2. The act of July 1, 1918, temporarily increased the number of enlisted men allowed to be ordered to duty involving actual flying from 350 to 10,000. This provision has never been canceled and is still in force.

3. The act of August 29, 1916, established the Naval Reserve, one of its classes being the Naval Reserve Flying Corps. During the war naval aviation personnel was reinforced under the general provision of this, which reads:

"Members of the Naval Reserve Force may be ordered into active service in the Navy by the President in time of war or when, in his opinion, a national emergency exists."

4. There is no legislation limiting the number of reserve personnel on active duty that may be ordered to duty involving actual flying.

The act of June 4, 1920, limits the number of reserve officers that may be employed on active duty as follows:

"That the number of commissioned officers of the line, permanent, temporary, and reserve, on active duty shall not exceed 4 per cent of the total authorized enlisted strength of the Regular Navy * * *."

"Provided further, That 500 reserve officers are also authorized to be employed in the aviation and auxiliary service."

Temporary officers employed on active duty under the provisions of the first of the above clauses will be automatically returned to their former status six months after the declaration of peace with Germany, or at such time prior thereto as the President may declare that the state of national emergency has ceased to exist.

5. Plans for future operations to 1925 call for a constant force of about 500 naval aviators, all of whom should be commissioned officers.

6. On November 30, 1920, the aviation officer personnel consisted of the following:

	Naval aviator.	Naval student aviator.	Ground officers.	Staff officers.	Total.
Regular.....	54	20	24	81	179
Temporary.....	68	20	56	.....	129
Reserve.....	249	13	37	14	313
Total.....	366	53	117	95	631

A number of these temporary and reserve officers will qualify for the regular service upon examination in May, 1921.

7. Should reserve officers be removed from active duty, naval aviation would be crippled to a state of inactivity until such time as regular naval officers could be graduated from the six months' aviator course at Pensacola, present allowed rate about 100 per year, to fill all vacancies created that will not be filled by the reserve officers not now on active duty who may qualify for the regular service upon their examination in May, 1921.

8. The removal of all reserve officers from active duty at this time would reduce aviation officer personnel as follows:

Naval aviators, 249/366, 68 per cent.

Student naval aviators, 13/53, 24.5 per cent.

Line officers, 37/117, 31.6 per cent.

Staff officers, 14/95, 14.7 per cent.

FRIDAY, JANUARY 21, 1921.

NEW AIRCRAFT.

Mr. KELLEY. We will go on with aviation. Referring to this compilation you have supplied the committee of your revised estimates, I wish to take up with you for the record the amounts estimated under the various subheads. The first deals with new aircraft, does it not?

Capt. CRAVEN. Yes. I would like to make it clear before we go ahead that that is not my revision; that is the revision of the House Naval Affairs Committee. This is scaled down from the estimate we made for \$35,000,000.

Mr. KELLEY. I understand that is true. But if it were to be reduced approximately to what you had last year, all told, this would be your general opinion as to how it should be distributed?

Capt. CRAVEN. If it is to be done; yes.

Mr. KELLEY. So that we may get our minds together, subhead 1 is new aircraft, amounting to \$4,906,500?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. And new lighter-than-air craft, amounts to \$670,000. So you are asking under this distribution for both new lighter and heavier than air aircraft about how much?

Capt. CRAVEN. \$5,576,500.

Mr. KELLEY. Is that all that you have carried in this distribution under the head of new, either lighter or heavier, which has not heretofore been authorized?

Capt. CRAVEN. As a part of that sum, or the total sum for new materials, should be probably included in the outfit for cruisers and equipment for new vessels amounting to \$987,720 under subhead B and the \$5,576,500 should have added to it, the \$988,720 totaling the \$6,565,220.

Mr. KELLEY. Does that represent all of the unauthorized construction that you are asking for?

Capt. CRAVEN. We are asking for a certain sum for experimental work. I do not know exactly what view the committee would take of that. It is a continuation of the present experimentation. Some of it will, perhaps, be in new fields but it is generally progressive experimentation.

Mr. KELLEY. That is to say, it is experimenting with new types of engines of various sorts, without any reference to new craft, particularly, but with reference to the general development and continuation of any character.

Capt. CRAVEN. General development of the art.

Mr. KELLEY. I think that could be properly appropriated for in this bill.

Capt. CRAVEN. Yes, sir. The only new items are those two.

I do not know what your decision was with regard to this second sheet, the upper one on the right-hand side, the new building and new development of established stations. Will you consider that new or continuing?

Mr. KELLEY. We will go into that a little more carefully and will get the facts about it all in the record as to what you want, so that

we can determine later as to whether or not we would have authority to make the appropriations.

Mr. BYRNES. I would like for the Captain to present his case, and these requests which he makes for which we have no authority we can submit to that; but as to the amount, I want to reserve for myself the right to express my view, regardless of any views that may have been expressed; in so far as I am concerned, I am not governed by any view that has been expressed to you.

Mr. KELLEY. The Captain states on the basis of \$21,000,000, if that is what is approved, \$6,522,222 is what he would ask for new construction. If he were allowed more money I suppose this sum would be considerably increased.

Mr. BYRNES. As to each one, state the figures as you go along.

Mr. KELLEY. Both the original and revised.

Capt. CRAVEN. Perhaps I had better begin and compare the various subheads.

The \$35,000,000 departmental estimate on the right is the revision downward which was made at the desire of the Naval Committee, they naming the amounts, we distributed it as best we could.

Mr. KELLEY. How much will it amount to for new construction on the basis of \$35,000,000?

Capt. CRAVEN. For heavier-than-air it is \$6,713,600; for lighter-than-air it was \$4,347,800, which totals \$11,061,400, and for new and miscellaneous equipment we have \$1,588,720, which gives a total of \$12,650,120. The estimate for new construction is almost halved in the revised figures.

Mr. KELLEY. Then you would ask \$12,650,120 for new construction if you were allowed \$35,000,000 altogether?

Capt. CRAVEN. Yes.

Mr. KELLEY. That would leave \$22,349,880 for maintenance and repairs to machines and stations?

Capt. CRAVEN. Yes, sir, incidental to that kind of activity and experimental development.

Mr. KELLEY. That brings us up, then, to the question of stations, maintenance and repairs of stations, and of aircraft.

Capt. CRAVEN. I think I have misstated the case. Item "E" in the lower part of this upper section of the sheet is an item on which we should thoroughly understand each other. That is new equipment for navigation. That should probably be included in this amount.

Mr. KELLEY. It is to go on the new machines?

Capt. CRAVEN. New machines; yes, sir. I think that should be included.

Mr. KELLEY. How much?

Capt. CRAVEN. The estimate submitted by the department amounts to \$119,250.

Mr. KELLEY. That will be added to the \$12,650,120.

Capt. CRAVEN. Making a total of \$12,769,370.

Mr. KELLEY. On the basis of \$35,000,000. All that for new construction?

Capt. CRAVEN. Yes, sir. On the other basis, the basis of \$21,000,-000, we would add \$49,250.

Mr. KELLEY. Making \$6,565,220.

Capt. CRAVEN. Yes, sir; giving a total of \$6,614,470.

Mr. KELLEY. That would be the total amount for new construction on the basis of about \$21,000,000?

Capt. CRAVEN. New construction and equipment.

Mr. KELLEY. As against \$12,769,370, on the basis of your total request of \$35,000,000.

Capt. CRAVEN. Precisely. Equipment for new craft, instruments and various things of that kind which are used in the new machines.

Mr. KELLEY. That brings us to No. 3 here, upkeep of the stations.

Capt. CRAVEN. New construction, do you wish to take that up now?

Mr. KELLEY. Suppose we take up the matter of maintenance and repair of existing establishments now.

Capt. CRAVEN. That appears on the left hand upper section of the sheet.

Mr. KELLEY. On the basis of your original request, just twice what you are asking for there for the Atlantic Fleet.

Capt. CRAVEN. The sums are the same, you will notice, Mr. Chairman, for both fleets in both estimates because there is no reduction possible. The operations afloat are considered as absolutely essential and we have not scaled the figures at all for maintenance. They are based on the actual performances of the current year and it will mean that we will try to curtail elsewhere and push the fleet work, regardless of any reduction made in the estimates. We are prepared to sacrifice everything but the fleet work, so there is no change, you will see, in that figure.

Mr. KELLEY. That will amount to how much?

Capt. CRAVEN. It amounts to \$617,455, for the Atlantic fleet and \$614,455 for the Pacific fleet.

Mr. KELLEY. Can you give us a little idea of just what that money is to be used for?

Capt. CRAVEN. Yes; that part of the aviation appropriation would be allocated to the different bureaus having cognizance, and the sum of \$118,000 would be spent in each fleet or allocated to the Bureau of Construction and Repair to be spent in each fleet for the maintenance of the flying craft under the direction of that bureau, involving repairs of planes, supply of materials, for which the Bureau of Construction and Repair would be charged. The Bureau of Engineering, which supplies the gasoline or oils and machinery, looks out for the engines of machines, and there is given in each fleet the sum of \$439,855 for this purpose. The Bureau of Yards and Docks would be allocated \$50,000. That is necessary because as the fleets move around they convey with them certain machines which ordinarily should alight on the land and not in the water. They are the machines carried in battleships and some expense is involved in the maintenance of fields and places where they are established when the fleet is in their neighborhood. For example, recently, in the Atlantic fleet we have had a detachment at Long Island on an Army field where we have had to spend a little money for maintenance. That same detachment is now ashore in Cuba where we have to spend more money. Fifty thousand dollars is allocated to the Yards and Docks for that purpose. We allot \$6,000 to the Bureau of Supplies and Accounts for each fleet to cover the shipment of materials and the transportation of equipment. The Bureau of Navigation is allotted in each fleet the sum of \$7,600, which covers

the expenses for navigational equipment in the different ships and units employing aviation.

Commander BELLINGER. It is \$9,000 in one case and \$6,000 in the other.

Capt. CRAVEN. That should be \$614,455 instead of \$617,000.

Mr. KELLEY. That makes \$1,228,910 for the maintenance of the fleet air detachment, maintenance of the air plants, and air equipment on ships that are assigned to handle aircraft and other maintenance on battleships, and wherever the ships operate on the water.

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Can you give in detail a little more the item for the Bureau of Engineering, \$439,855?

Capt. CRAVEN. The expense for the Bureau of Engineering is much higher than any other bureau because the Bureau of Engineering pays for the fuel and oil and upkeep of engines and machinery. That item of Supplies and Accounts is \$9,000 instead of \$6,000 under the Atlantic fleet. The total should be \$617,000 for the Atlantic fleet instead of \$614,000.

Mr. KELLEY. I thought you were taking \$3,000 from that other one?

Capt. CRAVEN. No; I was wrong about that. It adds \$3,000 to the Atlantic fleet and \$3,000 to the total sum for maintenance.

Mr. KELLEY. That gives \$1,234,910 for the fleet.

Capt. CRAVEN. Yes.

Mr. KELLEY. About how many battleships will be equipped with proper facilities for handling air craft from the decks?

Capt. CRAVEN. In each fleet there would be four battleships, each carrying two planes. In addition there would be various ships which you see enumerated here on the left in commission and they will convey and mother air craft. For example, in the Atlantic Fleet, we will have the *Langley* which will carry 40 planes. She will be a carrier. We also have the *Shawmut*—a mother ship.

Mr. KELLEY. All set up or knocked down?

Capt. CRAVEN. Some set up and some knocked down. Most of them will be set up and others can be quickly assembled. We will also have the *Shawmut*, which is a tender for the flying boats. She is now in operation with the fleet. We have an N-C tender—a destroyer—tending the big N-C boats which accompany the fleet. On the west coast we have tentatively assigned the *Wright*, which is a tender, as described to you yesterday, and in addition to attending the sea planes she will also tend for the kite balloon unit. We have the *Aroostook* in the Pacific acting as a mother ship in the same way as the *Shawmut* acts for the Atlantic Fleet, and we also have a destroyer there which acts as a tender for the N-C division as we have in the Atlantic Fleet.

Mr. KELLEY. Yesterday, in discussing the number of men required for aviation, did you account for the number of men required to handle the *Langley* and the *Shawmut* and the *Wright* and the *Aroostook*?

Capt. CRAVEN. Yes, they were included; but not the crews of the battleships.

Mr. KELLEY. No. I have just reference to those that were operating purely as air-craft vessels.

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Is that estimate of \$439,855 worked out in some detail?

Capt. CRAVEN. Those figures are all very carefully compiled as the result of the experience of the last year and a half in the fleets by the bureaus, based on actual performances and can not be reduced in our opinion.

Mr. KELLEY. What part of that would be for maintenance, such as oil and gasoline?

Capt. CRAVEN. For fuel.

Mr. KELLEY. For fuel?

Commander KRAUS. It would be approximately one-third of the total amount for fuel and oil, and the balance would be for replacements, for engine repairs, power-plant parts, and radio apparatus; that is, for actual material and supplies and costs for ship expense in applying it. It is worked out on an hourly basis, based on experience with all types of engines in the last two years.

Mr. KELLEY. Nearly all those repairs would be made on your tenders?

Commander KRAUS. Yes, sir.

Mr. KELLEY. By enlisted men?

Commander KRAUS. Anticipating that; yes, sir.

Mr. KELLEY. There would not be any expense for labor outside of the pay of men in the Navy?

Commander KRAUS. Very little.

Mr. KELLEY. Now, your spare parts: Have you not got a large stock of spare parts of these machines on hand?

Commander KRAUS. Not of spare materials.

Mr. KELLEY. What is the chief material that you use?

Commander KRAUS. We need various engine parts, practically all parts, in large numbers; propellers, electrical apparatus of all sorts, renewals of piping and tanks.

Mr. KELLEY. And what material is that made out of; brass?

Commander KRAUS. Copper and aluminum very largely, and the engine parts are of high-grade steel forgings, that are very accurately machined and, therefore, costly.

Mr. KELLEY. These prices that you use were of what dates?

Commander KRAUS. The prices are of the most recent purchase and as affected by the current costs that we have carried along for about a year, which we have used in predicting costs in the machinery trade. They have been reduced by about 10 per cent below existing cost figures. Just at present our ability to estimate is of a low order. Costs are widely divergent for the same article depending on the manufacturer's business situation at the moment. We have estimated about 10 per cent reduction from current prices.

Mr. KELLEY. Could you not make a greater reduction than that in things that copper enters into?

Commander KRAUS. The copper price curve has already declined so that we can not anticipate much further decline in that.

Mr. KELLEY. It has declined how much from the time those estimates were first prepared in the last three or four months?

Commander KRAUS. From our highest point in the last three or four months it has declined only about 2½ per cent.

Mr. KELLEY. The decline was before.

Commander KRAUS. The decline was prior to that time in raw materials. Fabricated articles are not declining very rapidly even now, except where as I stated before some particular industries are under pressure.

Mr. KELLEY. How much, Admiral, have you spent for this purpose during the last six months?

Capt. CRAVEN. Those matters are directly under the bureau's cognizance. I will refer that question to the bureau's representatives.

Commander KRAUS. We have expended approximately \$210,000 worth of material for this purpose that was available under the appropriations purchase accounts.

Mr. KELLEY. That is \$42,000. What was the other figure?

Commander KRAUS. About \$210,000 under the appropriation purchase account of which there is barely enough to run through this year. We are now buying increasing quantities of these items.

Mr. KELLEY. This figure of \$210,000 is nearly enough to run the year through?

Commander KRAUS. We will have similar material that will not be charged against the current material appropriations and run over largely the remainder of this fiscal year, buying some increased quantities, certain items going into the next year, and we will have practically no material available under that appropriation, under that account. That is, material that was purchased under specific wartime appropriations that may be extended without charge against the current appropriation. That will be exhausted, so that we will have to go into the market to supply the total amount.

Mr. KELLEY. Does that represent all that your bureau has expended for aviation for the fleet during the last six months?

Commander KRAUS. Yes, I think that includes all of it; but the operation was somewhat less than contemplated.

Mr. KELLEY. How much do you anticipate will be your requirements for the rest of the year?

Commander KRAUS. Approximately the same; slightly less from the appropriation purchase account, with a corresponding increase in amount of expenditures for new material that must be paid for from the current appropriation "Aviation, Navy."

Mr. KELLEY. So that you will really spend more this year than you are asking for next year under the Bureau of Engineering?

Commander KRAUS. I think we will.

Mr. KELLEY. Now, this Construction and Repair item of \$118,000, who handles that?

Commander HUNSAKER. I have not the bureau's records here that will show in detail how much each fleet got. For maintenance of air craft in general, including those on stations and in the fleet, there has been already allotted for Construction and Repair \$708,000, that is to the 1st of January this year.

Mr. KELLEY. You mean that has been allowed for the six months that have gone by?

Commander HUNSAKER. Yes, on the first of the year, and there is a tentative allocation for the entire year of \$1,800,000.

Mr. KELLEY. The two bases are the same here as to the fleet.

Commander KRAUS. I can give you figures of similar character for the total maintenance and operation costs under the Bureau of Engineering for the first six months of the fiscal year.

Mr. KELLEY. I think we would leave the fleet by itself for the present.

Commander KRAUS. Yes, sir.

Mr. KELLEY. Now, we will take the stations. We are asking for a basis of \$35,000,000. You are asking for the maintenance of Hampton Roads station, \$524,162. Give us the details of that.

Capt. CRAVEN. Hampton Roads is our most important and most active station on the Atlantic coast. It is part of the great base in Hampton Roads, and it is destined to become more and more active in aviation matters. It will work closely in conjunction with the fleet and a great deal of our experimental work will be developed at Hampton Roads, which is the port from which our fleet goes out for exercise cruises on the southern drill ground. As I have said, the value of Hampton Roads to naval aviation is destined to become greater and greater. We have asked for the sum of a half million dollars as being necessary for next year. It is based upon estimates submitted by the bureaus and divided up as indicated on this sheet from estimates made during the past few months from actual performances, allowing for what we thought reasonable in the way of increased performance. The different bureaus can explain through their representatives here very clearly to the committee anything that you desire, Mr. Chairman, in regard to the details of those amounts.

Mr. BYRNES. I would like to know, if the chairman will permit me, just a general statement of what, for instance, under the Bureau of Yards and Docks, you propose to spend \$200,000 for?

Capt. CRAVEN. I will ask the Bureau of Yards and Docks' representative, Luiet. Bragg, to explain that.

Lieut. BRAGG. That amount is to be spent for repairs to buildings and other structures as well as for general maintenance of the station. The allotment for maintainance at an air station covers the same items as are covered by both Yards and Docks appropriations, "Repairs and preservations" and "Maintenance" at a naval station.

Mr. KELLEY. How many buildings have you there?

Lieut. BRAGG. We have probably thirty-five buildings in the air station. We have some permanent buildings, and some temporary wooden structures that we are still using.

Mr. BYRNES. It strikes me that \$200,000 is a considerable sum.

Lieut. BRAGG. I will give you the main division of the work. The repairs to buildings and structures is the main item. That is similar to repairs and preservation at navy yards and stations. The system, etc., upkeep and operation of motor vehicles, locomotives other items are cost of heat, fuel, light, power, sewage-disposal cranes, leave and holiday pay, fire-protection equipment, janitor service, furniture, etc.

Mr. KELLEY. It covers pay of men?

Lieut. BRAGG. Yes, sir; pay of civilians, and leave and holiday pay. The time of the men when they are working on any one job is charged to that job, but when they are on leave the leave pay is taken out of the general maintenance allotment; approximately one-twelfth of the pay roll is charged to the maintenance allotment.

Mr. KELLEY. When were those buildings constructed there?

Lieut. BRAGG. The wooden structures were constructed a little over three years ago, at the beginning of the war. The permanent steel buildings were started later in the war and were completed approximately a year ago. We have the two types temporary wooden buildings and permanent steel buildings.

Mr. KELLEY. What I do not understand is the necessity for such extensive repairs on buildings. That part of it for maintenance cost is very clear and reasonable, but it does strike me that you have quite an amount to repair of buildings constructed in the last two or three years.

Lieut. BRAGG. The temporary buildings require each year more repairs than permanent buildings require, such as painting and new roofing. Ready roofing material was placed on the roofs, and that usually leaks after two or three years, and the wood siding requires additional painting, etc., and the maintenance charges on the temporary wooden structures erected are more than they are for the permanent buildings at the naval station.

Mr. KELLEY. I presume they would leak quicker if you did not paint those buildings?

Lieut. BRAGG. We paint the wooden buildings every three to six years, depending on the locality and the climate. The painting of the wooden structures runs up the repair item.

Our requests here for funds are greater than the amount that we are spending this year, for the reason that all the stations have been unable to carry on a lot of necessary items, such as painting of buildings and repairs to roofs. The money that they received this year being insufficient, is being spent only for absolutely necessary items, operating motor trucks, supplying heat, light, and power. On account of the fact that the stations have had to neglect repairs to structures this year, Yards and Docks estimates for next year are larger.

Mr. KELLEY. Are you assigned a certain number of buildings, or are there some buildings there that are just according to the needs at that place, or have you a certain number of buildings that were erected for your war needs that you are trying to keep in repair, and some of them are not in use?

Capt. CRAVEN. The camp was built during the war with temporary buildings, and some of the buildings which have been turned over for aviation quarters are those turned over to the Government or purchased by the Government at Hampton Roads, on the old fair site, that you know of.

Other buildings, such as temporary barracks, erected during the war for the men. Other buildings which have come along more recently are of a more permanent character, such as hangars, and will remain permanently on that station.

Mr. KELLEY. Are you asking for money to repair buildings that were not used?

Capt. CRAVEN. No, sir. All of the buildings are being used.

Mr. BYRNES. Are you asking for money to repair buildings that are not now on land owned by the Government?

Capt. CRAVEN. No, sir; the buildings are on land owned by the Government.

Mr. KELLEY. In the revision of your request for the Bureau of Yards and Docks, you have reduced that from \$200,000, the sum that Mr. Byrnes has been inquiring about, to \$99,000. If you do not get but \$21,000,000 all told, how would you handle that? What buildings would you include that might run down and have a different policy pursued?

Lieut. BRAGG. That would be decided by the commanding officer. He would know how much money he would have to cover the activities for the fiscal year, and with \$99,000, he would have to drastically reduce some of the activities and would have to decide whether he would close up buildings and reduce the light and heat, or curtail transportation, or other items.

The actual expenditures for Hampton Roads for the present year will probably be \$150,000. This does not include a lot of repairs to those temporary buildings I referred to. We have spent about \$75,000 there for the previous six months, and on that basis it would be about \$150,000 for the year. They have sent in repeated requests for additional funds and say they are necessary to carry on the maintenance of the station. That is why we requested a \$200,000 allotment for Hampton Roads for next year. The activities of the station are, furthermore, increasing every year.

Capt. CRAVEN. I might supplement that officially. In making this revision downward the department has drastically cut every figure for upkeep of stations and assigned some amounts which we know will be insufficient for the continuation of operations. The establishments proper will probably deteriorate very materially if the figures comprising the \$21,000,000 estimates are accepted.

Mr. BYRNES. How did the Naval Committee arrive at that amount of \$21,000,000?

Mr. KELLEY. That is an estimate on what they had last year. It is just a lump sum.

Mr. BYRNES. Did they just tell you to provide the figures? Is there any understanding or do they just give you a lump sum?

Capt. CRAVEN. They came to their own conclusions and told me their decision.

Mr. BYRNES. That is it. They told you to submit estimates on the \$21,000,000?

Capt. CRAVEN. Yes, sir.

Mr. BYRNES. And you submitted those estimates to them?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Out of this total of Yards and Docks, \$2,702,000. If you had \$35,000,000 all told, or \$1,720,000 if you get the \$21,000,000. What part of that is for fuel, for coal?

Lieut. BRAGG. I can not give those figures offhand; I can insert them in the record.

NOTE.—The amount required for fuel for supplying heat, light, and power is a fairly fixed amount at each station and can not be reduced appreciably if the station is to continue on an operating basis. The following total shows very roughly the approximate amount that would have to be spent for fuel at the various stations if they are to have an active status:

Hampton Roads.....	\$40,000
Pensacola.....	40,900
Rockaway.....	15,000

Anacostia	\$5,000
Coco Solo.....	1,000
San Diego.....	20,000
Chatham.....	12,000
Cape May.....	35,000
Pearl Harbor.....	5,000
Aircraft factory.....	20,000
Lakehurst.....	110,000
Total.....	203,000

No amount is estimated for the marine stations, as the cost of fuel at a marine flying field is borne by Marine Corps appropriation. As stated before, the total shown above could not be decreased appreciably unless certain stations were placed out of commission.

Mr. KELLEY. What part of it is for repairs to buildings?

Lieut. BRAGG. That varies at the different stations, depending on the type of building and the character of construction.

Mr. KELLEY. They are all, or nearly all, these cheap buildings that we put up during the war.

Capt. CRAVEN. Most of them.

Mr. KELLEY. Except the Pensacola, which is a permanent station.

Capt. CRAVEN. Yes, sir; and at San Diego we have a permanent building. It varies at each station, and I would like to look up the records of the report at each station, though I can give it right here for Pensacola.

Mr. KELLEY. That would not be quite a typical case.

Lieut. BRAGG. No; it would not. That is why I would like to insert it.

Capt. CRAVEN. Pensacola is one of the most extensive stations.

Mr. KELLEY. Do you have to reimburse Yards and Docks for your share of fuel at those stations?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Don't they have money enough in their fund to maintain a heating plant for this entire activity down there?

Capt. CRAVEN. No, sir; the aviation carries a charge for its share.

Mr. KELLEY. They pay out of that fund a certain amount?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. How many buildings are there?

Lieut. BRAGG. At the air station?

Mr. KELLEY. No; at Hampton Roads.

Lieut. BRAGG. There must be several hundred, counting naval training, submarine base, and all other activities.

Mr. KELLEY. How many men do you have in each one now?

Capt. CRAVEN. Do you refer now to the aviation program? At the air station there are 30 or 35 buildings that are being occupied by the aviation forces and are being maintained out of that aviation fund.

Mr. KELLEY. You are asking for a minimum of \$99,000 for the maintenance of the 30 buildings?

Capt. CRAVEN. That is the figure to which we have cut.

Mr. KELLEY. That is the minimum?

Capt. CRAVEN. The minimum for the whole station. That is also the minimum required to maintain the whole station.

Mr. KELLEY. How many men did you say you had there?

Capt. CRAVEN. The complement at Hampton Roads is 468 men on the aviation ratings, 280 men on the general ratings, a total of 748 men.

Mr. KELLEY. That is the number that will be there next year?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. How many have you there now?

Capt. CRAVEN. I had a slip on personnel here yesterday. At Hampton Roads there are now a total of 67 officers and 720 men.

Mr. KELLEY. This is one of the stations that is directly connected with the fleet?

Capt. CRAVEN. Yes, sir; the fleet base.

Mr. KELLEY. This is a fleet base? You have some that you would not designate as stations directly connected with the fleet?

Capt. CRAVEN. They are all more or less directly connected with the fleet, but Hampton Roads is a fleet rendezvous, and it is more intimately connected with the ships than is a station such as Rockaway, near where the fleet mobilizes less frequently than at Hampton Roads.

Mr. KELLEY. Your minimum request for the Bureau of Engineering at this point is \$105,000. What is that for?

Capt. CRAVEN. That carries the cost, as I explained, for the fleet air detachment; that is, the same things exactly, fuel and gasoline, oil, and engine parts, and engine spares and everything to do with radio.

Mr. KELLEY. What is the life of an engine?

Capt. CRAVEN. I will ask Commander Kraus, of the Bureau of Engineering, to reply to that question.

Commander KRAUS. Approximately 250 hours' operation in the air will find the engine so completely overhauled that probably only the crank pin case and the original crank shaft will remain. Those overhauls are at certain intervals, very minor, only unimportant and not very costly parts being used. At the end of from 80 to 100 hours in the air a very general overhaul takes place, which uses a considerable number of major parts, and there will be a second overhaul in the neighborhood of 175 hours, somewhere between 175 and 200 hours. The life of the engine for practical purposes should be considered fully run by the time it has to undergo a third major overhaul. The cost of the overhaul and new parts then will probably exceed the useful performance of the engine. At that time it becomes economical to disassemble the engine and use as many parts as possible as spares for overhauling other engines.

Mr. KELLEY. What would be the amount of repairs that you would probably put on an engine during its lifetime as compared with its original value?

Commander KRAUS. Approximately equal to it, I think.

Mr. WOOD. What is it that destroys that engine so quickly as compared with the same character of engine operated on land?

Commander KRAUS. The engine is actually operating more hours at full power than the so-called highly reliable engines that we have on shore. An engine on shore, taking an automobile engine as a parallel type, probably does not operate 10 hours at full power in the whole life of the automobile, whereas an aircraft engine operates from 80 per cent up to full power practically every minute it is in the air. Some two years ago we operated some of the best automobile

engines at full power to see what they would do, and some of our most reliable and most popular high-grade engines operated at full power for intervals of less than half an hour.

Mr. WOOD. The atmospheric condition, then, has nothing to do with it?

Commander KRAUS. I think not, sir. It is a question of light-weight parts and the fact that the engine is operated at very nearly the peak of its capacity at all times, so that the actual number of horsepower hours developed is materially greater than the average so-called reliable automobile engine could hope to attain under similar relative loads.

Mr. KELLEY. If you started out with all new planes, we will say at Hampton Roads, how long in months, considering the method of operation and your actual practice there, would those planes be in the service, with the usual repairs made, when repairs are necessary? That is, how long a time would it be before you would need an entirely new outfit of planes?

Commander KRAUS. It is very difficult to estimate; it varies materially with the type of service and with the type of plane. We have had some types of planes that have far outlasted our estimates. The F-5-L type is a case in point. We estimated we would begin to need replacements at the end of 100 hours, whereas at the end of 200 hours those machines were actually flying and apparently in such condition that certain replacements would render them fully serviceable.

Mr. KELLEY. How long a space of time, in your actual practice, would 100 hours of flying be spread over, taking it as you are operating the service at the present time?

Commander KRAUS. I think in that case those planes were actually in the air about 100 hours in the course of some three months, that is, in actual flight. Of course, there would be a number of short flights of which we would probably get no record, flights of a few minutes, two or three minutes.

Mr. KELLEY. Probably at the end of a year, then, the planes you started out with would be put out of service, after all the repairs had been put on them that it would be profitable to put on them.

Commander KRAUS. I think Capt. Craven and Commander Hunsacker can give you pretty accurate figures on what they base the replacement on for a year's operation, and I think the figures will be found to vary quite a good deal, depending largely on the use.

Mr. KELLEY. Is that about the way you figure it?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. That you need about the value of the machine in repairs each year?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. How many machines are you using at all the stations?

Capt. CRAVEN. I will include in the hearings a statement complete of the complement of planes at the different stations. At Hampton Roads, for example, we have a total of 29 planes.

(The statement referred to follows:)

Heavier-than-air equipment, present proposed complement.

Type.	Atlantic Fleet.	Pacific Fleet.	Practice, Atlantic.	Practice, Pacific.	Hampton Roads.	Pensacola.	Rockaway.	Anacostia.	Coco Solo.	San Diego.	Chatham.	Cape May	Hawaii.
Fleet seaplanes:													
F-5-L.....	6	12											
N-C.....	2	2											
Scout.....	2	2											
Ship's spotting planes.....	4	4	4	4	4								
Ship's fighting planes.....	4	4	4	4	4								
Torpedo planes:													
R-6-L.....	4	4	2		4	6							
M-B-T.....	2	2											
Photographic planes:													
R-0.....						2		3	2	1	2		
R.....							2						
Training planes:													
N-9.....	2				1	25	1	1	1	6			
F-B.....	2				2	3	1	2	1	3	1		
Patrol planes:													
H-8.....					2	12	3	6	6	3	2	3	6
H-16.....					3	4		1					
F-5-L.....					4	2	3	1	3	12			
Experimental planes:													
39-A.....						1							
39-B.....						1		1					
H-A fighter.....						1							
Boeing.....						1							
Model 40.....						1							
D. D.....						1							
Lepen.....						1							
Machi.....						1							
Paul Schmidt.....								1					
S-A-2.....								1					
Total.....	28	30	10	8	29	54	15	17	13	29	3	6	10

Grand total, 252.

Actual operating complement aircraft, United States Navy, January, 1921.

Naval aircraft located at—	N-9 seaplanes.	Aeronautic 39-A sea planes.	Curtiss R-type sea planes.	Curtiss F flying boat, or M-F flying boat.	Aeronautic model 40 flying boat.	H-8 flying boats.	H-16 flying boats.	F-5-B flying boats.	J-N-6 airplanes.	Vought airplanes.	DH-4-B airplanes.	Loening monoplanes airplane.	Miscellaneous.	Nonrigid dirigibles.	Kite balloons.	Free balloons.	Total
Naval air station:																	
Rockaway Beach, Long Island, N. Y.....	3	1	2	1	13	1	2					1 2	3	4	2	13	42
Hampton Roads, Va.....	4	4	4	1								2	2	3			9
Anacostia, D. C.....	1	1															
Pensacola, Fla.....	22	8	1		6	12	2	5			2			4	4	15	74
Coco Solo, Canal Zone.....	1				5									1	3		15
San Diego, Calif.....	4																8
Pearl Harbor, Hawaii.....	2		2		6												8
Air Force, Atlantic Fleet:																	
Fleet plane squadron.....								8									8
Ship plane division.....					1					8	2	4					15
Torpedo plane division.....									3			3					5
Air force, Pacific Fleet:																	
Fleet plane squadron.....								12		6	4	(4)			7		12
Ship plane division.....												(8)			7		27
Torpedo plane division.....		5										(8)					9

1 Espy light bomber (experimental); 1 Gallaudet (experimental).

2 German metal monoplane airplane JL-6; 2 Fokker C-1 type.

3 Martin torpedo airplanes.

4 Sopwith 1½ Str.; 4 Thos. Morse scouts airplanes.

5 Martin torpedo-carrying airplanes.

Actual operating complement aircraft, United States Navy, January, 1921—Continued.

Naval aircraft located at—	N-C seaplanes.	Aeronautine 38-A sea planes.	Curtiss R type sea-planes.	Curtiss F flying boat or M-P flying boat.	Aeronautine model 40 flying boat.	H-8 flying boats.	H-16 flying boats.	F-5-L flying boats.	J. N-6 airplanes.	Vought airplanes.	D H-4-B airplanes.	Loening monoplane airplane.	Miscellaneous.	Nonrigid dirigibles.	Kite balloons.	Free balloons.	Total.
Ordnance experimental station, Dahlgren, Va.	2					2			3								7
Naval training station, Great Lakes, Ill.	1	2		1		1											5
Naval aircraft factory, Philadelphia, Pa.	1																1
Port au Prince, Haiti.	1					6			5	7							19
United States Marine Corps, Santo Domingo City, Dominican Republic									4	8							12
Marine flying field: Quantico, Va.	4								3	8	8		(6)				26
Paris Island, S. C.	3								3	4							10
Total.....	49	2	19	10	1	40	13	35	27	22	29	6	24	9	15	24	325

* 3 Fokker D-7's airplanes (very old).

Mr. KELLEY. What would be the average value or cost of those planes?

Capt. CRAVEN. They are of widely different types and it is very hard to say. They vary from the NC type, costing about \$150,000, down to small types, about \$10,000. So it would be pretty difficult to average it. There is only one of the NC type allowed here, and of the smaller planes there are a good many.

Mr. KELLEY. Does the same rule that Commander Kraus spoke of hold good as to large craft like the NC—that they will last about a year?

Capt. CRAVEN. The hull of one of those large boats should last much longer, but the engines wear; the lighter planes are more fragile, are shaken up quickly, and do not last as long. We were astonished during the war at the life of the large boats; they lasted much longer than we expected.

Mr. KELLEY. How does the cost compare as between the hull, the engines, and machinery?

Capt. CRAVEN. In the case of the NC the hull is very much more expensive; they have four engines costing about \$6,000 apiece, and that would be about a fair figure. What have you to say about that, Commander Kraus?

Commander KRAUS. Yes, sir; that would be about a fair figure. The actual engine we are using at present has cost us less than that, but you could not replace it for less than that.

Mr. KELLEY. They must be large craft?

Capt. CRAVEN. Yes; those craft have a span of 126 feet; they weigh about 30,000 pounds, and are the largest seaplanes built to date.

Mr. KELLEY. How many people can be accommodated?

Capt. CRAVEN. They have flown 51 men in one.

Mr. KELLEY. How many ships of that kind have we?

Capt. CRAVEN. We have eight now; they are of the type that made the transatlantic flight last year. But at a station such as Hampton

Roads we have a great variety of planes, because, as I have stated, it does a good deal of our experimental work, and we fly some land planes there as well as seaplanes.

Mr. KELLEY. This total of \$3,785,920, which you ask for the Bureau of Engineering, is for replacements, for repairs, and for fuel?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Have you divided that so we can tell about how much of it is for repairs and for replacements?

Capt. CRAVEN. I will ask Commander Kraus to explain those figures.

Commander KRAUS. I have not the figures available showing that division, but I can supply you with the basis on which it has been divided. I will supply that information for inclusion in the hearings, showing the cost per hour of operations for fuel, the cost of overhauling, charges for parts, and charges for labor. But I have not that basic scheme with me.

Mr. KELLEY. This estimate covers how many craft all told?

Commander KRAUS. I have not the total here, but it is the total that Capt. Craven has supplied, the operating complement that he proposes to include in the hearings.

Mr. KELLEY. You intend to put in the hearings the number of aircraft in use by each fleet and also the number at each station to be kept in repair and in operation?

Capt. CRAVEN. Yes, sir; I have furnished that for inclusion in the record.

Mr. KELLEY. Do you remember how much the total is?

Capt. CRAVEN. No, sir; it is not figured up here.

Mr. KELLEY. Will you put in the record the total number of machines?

Capt. CRAVEN. Yes, sir.

Pensacola—Operation and maintenance—Cost estimate sheet, fiscal year 1922.

Type.	Number in operation.	Hours per month.	Gas per hour.	Oil per hour.	Gallons of gas per year.	Cost of gas per year.	Gallons of oil per year.	Cost of oil per year.	Shop upkeep.	Hydrogen, 1,000 cubic feet.	Cost of hydro. gen.
Torpedo plane.....	4	20	60	3	57,600	\$20,160	2,880	\$2,880	\$0,600	.....	.....
Photographic.....	2	15	30	1.5	10,800	3,780	540	540	2,400	.....	.....
N-9.....	24	25	15	1.5	108,000	37,800	10,800	10,800	28,800	.....	.....
F boat.....	3	20	10	1	7,200	2,520	720	720	2,700	.....	.....
HS.....	12	20	30	1.5	86,400	30,240	4,320	4,320	14,400	.....	.....
F-5-L.....	8	20	60	3	115,200	40,320	5,760	5,760	19,200	.....	.....
Power boat.....	5	40	20	1.5	48,000	16,800	4,800	3,600	4,500	.....	.....
Free balloon.....	15	.....	.....	.....	.....	.....	.....	.....	2,625	\$26,250	.....
Kite balloon.....	6	.....	.....	.....	.....	.....	.....	.....	2,250	22,500	.....
Nonrigid towing.....	2	20	10	1	4,800	1,680	480	480	1,800	1,500	15,000
Nonrigid B class.....	2	20	10	1	4,800	1,680	480	480	1,800	1,500	15,000
Nonrigid C twin.....	1	30	30	3	10,800	3,780	1,080	1,080	2,400	2,400	24,000
					453,600	158,760	30,600	30,600	87,600	10,275	102,750
Gas.....										\$158,760	
Oil.....										30,600	
Shop upkeep.....										87,600	
Hydrogen.....										102,750	
Civilian labor.....										300,000	
Total.....										679,770	

Mr. KELLEY. Now, just a general question: The whole question of policy with regard to aircraft and its use in connection with shore stations or the fleet, including the number of aircraft to be used and the general manner of its use, is determined by whom?

Capt. CRAVEN. It is determined by the Navy Department, the Chief of Operations being responsible.

Mr. KELLEY. And he advises you as to what fleet operations he expects of you, the number of aircraft necessary for those operations, and the number of stations necessary to carry out the general plans, and then you make these calculations based upon the general plans and policy of the Chief of Operations?

Capt. CRAVEN. The policy and plans are arranged in the planning division of the section of Operations; I am a member of the planning section. The policy is prepared by the planning section and approved by the Chief of Operations. The broad questions of policy are passed upon by the general board.

Mr. BYRNES. If I get it correctly, while the Chief of Operations has the final decision, you, as head of this division, make suggestions to that planning board, because you necessarily know more about it?

Capt. CRAVEN. Yes, sir.

Mr. BYRNES. What the gentleman from Indiana and myself want to know is whether or not the department has determined, as a matter of policy, that this branch of the service should be enlarged because of conditions which may exist in the warfare of the future, and also I want to know whether you have any information as to what other navies are doing along the same lines—any statement that will show us the necessity of this sort of a program.

Capt. CRAVEN. The question, of course, is a very comprehensive one and to answer it completely would take a good bit of time.

Mr. BYRNES. I understand that. Mr. Kelley is familiar with it, having served on the Naval Affairs Committee, but Mr. Wood, Mr. French, and myself not having served on that committee, are not familiar with it.

Capt. CRAVEN. I will go back and repeat a little bit of the history of naval aviation and unfold some of our ideas at the present time. The committee will understand that before the European war the military use of aviation was very little understood; it had not been practiced, except in a very minor way during the war between Italy and Turkey; that conflict developed the first use of aviation. During the World War aviation developed intensively, particularly over the land, as you gentlemen know, and thousands of machines were produced, largely for land purposes.

The navies, during the World War, were interested primarily in the destruction of the submarine, and aviation was utilized by the allied navies primarily for that purpose. Toward the close of the war it became apparent to naval officers, who are habitually very conservative, that they might take aviation unto themselves and use it on their ships, and an effort was made in that direction. At the end of the war Great Britain had provided herself with large carriers, vessels on which airplanes could be conveyed, and from the decks of which they could fly, and to the decks of which they could return; she also carried planes on the turrets of her battleships. Arrangements were such that the planes could fly from the turrets of the battleships, but they could not return to the battleships, because the

deck of a battleship is not large enough for them; so they had to come down on the water alongside of a ship or alight on the land, if the ship happened to be near land. In order to save a plane under those circumstances, that is, when it alighted on the water, bags or floats were provided which floated the plane and permitted the saving of the pilot. That development, as I say, came on toward the close of the war, but the primary effort of naval aviation during the war was to suppress the submarine, so that during the war coastal stations were created all along the shores of the allies and along our own coasts. From those stations flights were made up and down the coast, convoying shipping, and the whole coastal area was kept under close scrutiny for submarines and for mines.

During the war the intensive effort in aviation being over the land, the personnel interested in aviation all became imbued with the land thought, with the land idea, that is, the preponderance of thought was land aviation thought, so that the character of the machines which could be used over the land became very well developed, just what they could do became very well known, the tactics to be employed by these machines were very thoroughly worked out, and the knowledge of aviation generally was better on the part of those people working with the land forces than with the sea forces. Consequently the land effort rather overshadowed the sea effort, and in England, toward the close of the war or in the midst of the war, land aviation opened its mouth and swallowed naval aviation. There being very little naval aviation and the fleet not being much interested in the subject naval aviation was swallowed by the land aviation forces. Since that time England has had the difficult proposition of trying to make two services work together as one in naval vessels, but they have had trouble in developing the type of plane which the navy desires for the purposes of ship work. They have not gotten anywhere with it, to my mind, because of that overshadowing influence of the land forces.

We maintain in the Navy that our work with aviation is of a higher technical character than the work of land aviation, because it is more difficult and more complicated. Flying from decks of ships and flying on decks of ships, taking part in our maneuvers, evolutions, and work at sea is something which a sailor must know and which a landsman must fail to know.

Mr. KELLEY. Suppose I interject a question right here in order to direct the thing a little bit. You have estimated a considerable sum of money for fleet aviation?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. And then another sum of money for stations on shore?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. What is the value and necessity, considering our own Navy and navies of other nations, of having aviation for the fleet and for shore stations? Why is it necessary to do that; and why is it necessary to maintain these stations on shore?

Mr. Wood. And include in your answer what you expect to accomplish and the net result to be gained.

Capt. CRAVEN. In the fleet we hope to use airplanes for several purposes. The first is for scouting very high in the air. Of course, through aviation the radius of vision is very much improved, and a

fleet of aeroplanes enables you to cover a tremendous area by comparison with what can be covered by a surface vessel. We carry planes on battleships and on these carriers for that purpose, for scouting, seeing smoke and then having the scouting plane investigate to find out what it is, saving hours of time, tons and tons of fuel, and all sorts of effort. In addition we carry planes on ships for fighting. We believe that probably in a great battle of the future the first force to come together will be the air force; the scouts will come together first, and the fellow who can get information most accurately and quickly about the other will have a great advantage. The scouts, therefore, must be able to fight and they must be covered by planes which can also fight. In addition, on the ships we carry what we call reconnaissance or spotting planes. The fighter is a one-seat machine; one man does the fighting and also handles the plane. In a spotting plane there are two men; one will handle the machine and the other will take the observations of gunfire and of anything else which he may be called upon to inspect. We hope to use these planes in connection with the control of our guns.

Mr. KELLEY. That is to say, a ship with a gun on it that has a 25 or 30 mile range can have its fire directed from the aircraft, and information gotten back to the ship as to whether they are hitting anything or not?

Capt. CRAVEN. Yes, sir; but you have been rather optimistic as to the range; we have not begun to shoot that far at sea as yet; but at long range, when bombarding—

Mr. KELLEY (interposing). Somebody was telling us the other day that these new guns of ours will carry some 30-odd miles, the ones we had on the railway mounts.

Capt. CRAVEN. But we have not yet reached such ranges in naval battle.

Mr. KELLEY. How far can you see on the sea with anything except an aeroplane?

Capt. CRAVEN. From the masthead of a ship you can see about 20 miles; that is, you can see smoke that distance away.

Mr. KELLEY. How far could you direct the fire?

Capt. CRAVEN. Satisfactorily about 15,000 yards and probably up to 20,000 yards

Mr. KELLEY. That would be 7 or 8 miles.

Capt. CRAVEN. It would be less satisfactory up to 20,000 yards.

Mr. KELLEY. With the aircraft properly equipped—

Capt. CRAVEN (interposing). The possibilities of discovering the enemy, of course, are tremendous because of the speed of the craft and the wide radius which can be covered. The problem of hitting is determined more or less by the angle of fall of the projectile, and the range, probably, will not for some time be very much increased.

Mr. Wood. You would not begin to shoot until you got to where you could make hits, and while from the masthead you could see smoke possibly 20 miles away, at that distance you could not say whether you were making hits?

Capt. CRAVEN. No, sir. As they say, up to 20,000 yards you will do fairly well and have fair accuracy.

Mr. WOOD. Your purpose is to direct the fire from airplanes, and you think that will be of great service?

Capt. CRAVEN. Yes, sir; in bombardment and in opening battle. In addition to the fighting planes and reconnaissance planes, we hope in our carriers to convey torpedo planes or bombing planes. They will be larger planes and will be able to carry a torpedo which can be dropped, will run under the water, and hit the enemy's vessel. That development came along during the latter phases of the war; it was used during the war more or less experimentally, and one or two merchant vessels were sunk. The Germans used it and also the British used torpedo planes in attacking merchant type of vessels. The same plane—that is, a torpedo plane—can be used to convey large bombs which could be dropped directly on a target. In addition to those types of planes we would use the present-day seaplanes, which are boats. They would be used for distant scouting; they would not fly from a carrier or from a ship; they would accompany the fleet, flying from port to port, and would be anchored just as our other boats, and would be used to scout over the water and to oppose enemy scouts.

Mr. KELLEY. Is that like the NC boat?

Capt. CRAVEN. Yes; or the F-5 boats that we have spoken of. Those are, briefly speaking, the character of planes as we have them and hope to use them.

Mr. KELLEY. Suppose we did not have them?

Capt. CRAVEN. A fleet not having aviation surrenders a tremendous influence to the enemy which has it. To-day the speed of ships at sea is so great and the power to inflict damage is so mighty that the time element is of tremendous importance, and the man who can know where his enemy is and what his enemy's dispositions are, enjoys a great advantage over one who does not. He may be able to hit him unawares; he may be able to hit him before he can establish his battle formation, and undoubtedly would have him at a tremendous disadvantage. Those are the advantages which aviation would give to one side if the other side did not have it.

Mr. KELLEY. If you did not have aviation with the fleet, has the dropping of bombs advanced to such a point that the enemy which had it could fly over your ships and drop bombs on your ships?

Capt. CRAVEN. Just the way the weapons are to be handled, Mr. Kelley, remains to be developed in fleet aviation, but, as I say, the tactics for the land aviation are pretty well developed.

Mr. KELLEY. Is it not clear that you can drop bombs with almost perfect accuracy?

Capt. CRAVEN. No, sir; it is not clear. There are various combinations which you would use in dropping bombs at sea. For accuracy bombs must be dropped from a low altitude. You probably would not try to drop bombs without doing something in addition; you would pretend to do other things. Possibly you would produce a smoke screen or something of that nature, which would hide your effort from the enemy, all of which would allow you to come low down and then drop bombs or torpedoes.

Mr. KELLEY. Is there not some claim on the part of Gen. Mitchell, or somebody, that they have invented a contrivance by which you can drop a bomb with very great accuracy?

Capt. CRAVEN. I have not been able to keep up with all the claims that have been advanced, sir.

Mr. KELLEY. But has there not been some definite claim of that kind made by the Army?

Capt. CRAVEN. I do not know, sir.

Mr. WOOD. Why could not some method be devised for throwing a bomb out of a machine, with reasonable accuracy, just as you shoot a gun out of a machine?

Capt. CRAVEN. That is a possibility, of course. When you begin to project projectiles from weapons you have a recoil to take up and when you fire a shot you have this recoil to consider; that is, its effect on the machine. At the present time we have a gun, called the Davis gun—now built up to 6 inches in caliber—which fires a shot at not a very high velocity, but nevertheless with some velocity, without recoil.

Mr. KELLEY. Is that the gun which shoots both ways?

Capt. CRAVEN. Yes, sir. There are those who believe strongly in that gun, and recently the Army has made some experiments with a mountain type of gun, of low power, fired through the bottom of a large plane, I understand with success. Undoubtedly it is easier to make a hit with a gun than by dropping a bomb, because in dropping a bomb you must get the flying machine itself in a particular position with relation to the target at the proper instant when you release the bomb, whereas in firing a gun you can fire the gun from a position where you are not directly in a line over the target.

Mr. BYRNES. But is not this true, that if your battle planes succeed in defeating the enemy battle planes it would make it possible for those planes carrying bombs to more nearly approach the enemy ships?

Capt. CRAVEN. Yes, sir.

Mr. BYRNES. And the fight is really determined by the original fight, so that the fleet which is able to secure mastery of the air will have a terrible advantage over the other fleet?

Capt. CRAVEN. Absolutely; there is no question of that at all.

Mr. KELLEY. Then the whole development of aviation, so far as the Navy is concerned, is with a view to making the battle fleet successful?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. That being the case, what is the necessity of maintaining all these stations on shore?

Capt. CRAVEN. The Navy, as you know, has to base all of its activities on shore; that is true of ships and everything else. We must have our aviation shore establishments. For months to come we will have nothing else. We have no carriers. The Langley will come into commission during the summer. She is an old collier improvised for the purposes of a tender. Her presence will help, but until we have real facilities afloat we must continue to base our efforts on shore stations. We can not get away from them, and for all time the principal efforts of the Navy will have to be directed from shore bases.

Mr. FRENCH. In a comparative way, how much effort is being put forth by the other leading naval countries in experimentation along these lines?

Capt. CRAVEN. England leads the world in naval aviation.

Mr. FRENCH. But you said that had rather collapsed.

Capt. CRAVEN. No, sir; but I stated that in my opinion it was not as successful as should be the case. Nevertheless she is far ahead of us; she has built numerous airplane carriers and devoted a great deal of thought and money to the subject, and she has the strongest air force afloat. There are other nations; Japan is building an air force very rapidly. Every nation that has a navy is to-day trying to insert and is inserting aviation into its organization.

Mr. BYRNES. If it does not it is at as much of a disadvantage as an army would be without an air service.

Capt. CRAVEN. Without eyes and without power to deliver blows from the air. The old defenses of stone walls, ditches, and so on, are not very efficient.

Mr. KELLEY. Of just what value are these very large craft like the NC as instruments of war?

Capt. CRAVEN. The NC type came along during the war, I understand it; the idea was ultimately to build planes in this country that could fly across the Atlantic and assist in the coastal work on the other side, and based on that thought these planes grew. They would be used in time of war on distant expeditions overseas, where there is a possibility of their coming down—as there always is in the air—and where they were to be more or less on their own resources. They are very seaworthy as well as airworthy, and can carry considerable quantities of supplies and fuel; they can also protect themselves fairly well. They would be used in distant operations overseas.

Mr. KELLEY. While you are on the subject of the use of the craft, you might take up the lighter-than-air craft, too.

Capt. CRAVEN. During the war the kite balloon—a most elementary form of lighter-than-air craft—was used very extensively by the Army for the control of artillery and it came into very common use afloat in convoying along the Allies coasts. Vessels would tow these kite balloons and observers in the kite balloons would watch for the periscopes of submarines, for mines, and other obstructions. They were also used by battleships for the control of gunfire. The battleships would tow them about, and being directly connected by telephone to the bridge of the towing ship they were particularly useful, the communication being very good. The effort of the kite balloon was supplemented by the small nonrigid dirigible, which was used very extensively in coastal operations, reconnaissance, scouting, and convoying work up and down the coast of France and in the channels around Great Britain. There were also a great many non-rigids used there and in the Adriatic. Finally the rigid dirigible was brought into use for naval purposes by Germany, and it was very successful, in clear weather, as a naval scout. The advantage of the rigid is that it can stay in the air for several days at a time and hover around the fleet it accompanies at slow speed. Admiral Jellicoe estimates the value of a rigid as equal to two light cruisers, under favorable circumstances of weather. The rigid is essentially a naval scout, although vulnerability militates against its value for offensive purposes. Its primary importance is for scouting purposes. We have asked for some and Congress has appropriated for two. We are building one in England, where we had to go for our first experience in the construction of the ship and also in the operation of the ship. We have a contingent of officers and men in England now learning to operate

rigids under British supervision. They are operating British ships and will operate our own ship when she is completed in March, and they will bring her home, we hope, in July. We have undertaken the construction of another rigid in this country, the first one which marks the beginning of that industry, if it is to be such in this part of the world. She will be erected at Lakehurst, N. J., where we have a large hangar nearing completion. Unless Congress sees fit to appropriate further funds, as requested under this \$35,000,000 estimate, those two ships will be the only rigids we will have.

Mr. KELLEY. How much did those cost?

Capt. CRAVEN. The rigid in England, all told, including the expense of training, maintenance, and so on, will cost \$2,500,000, and the rigid in this country will cost probably about the same sum.

Mr. BYRNES. What is the average cost of a light cruiser? You say Jellicoe estimates that one of these rigids is worth two light cruisers?

Capt. CRAVEN. \$10,000,000 or \$12,000,000.

Mr. BYRNES. What do you say about his estimate?

Capt. CRAVEN. I think his estimate is perfectly correct and, perhaps, he has underestimated, where conditions are favorable for the use of the rigid. In the tropics or in parts of the Pacific certainly a rigid would be of far more value than several light cruisers.

Mr. BYRNES. But light cruisers can work under all conditions, while your rigids can not.

Capt. CRAVEN. That is the difference between the types; yes.

Mr. KELLEY. Tell us something more about those ships.

Capt. CRAVEN. You mean the rigids?

Mr. KELLEY. Yes. How would they take care of themselves?

Capt. CRAVEN. The rigids, filled with hydrogen and carrying gasoline as fuel, are highly vulnerable, and during the war were attacked frequently and disastrously by heavier-than-air machines, using incendiary bullets. That is the reason I say that for offensive operations their value is not very great. We hope in this country to develop the use of helium, for which we have included figures in this estimate presented to the committee. Helium is an inert gas found more largely in this country than anywhere in the world, in fact, it is only found in very small quantities anywhere else in the world.

Mr. KELLEY. It is a natural gas, is it not?

Capt. CRAVEN. It is one of the ingredients of natural gas, one of the parts of natural gas found in certain fields, and is reduced out of the gas existing in a pool in the neighborhood of Fort Worth. Helium is extracted from the natural gas in this neighborhood and then the gas is returned to the mains, and they then convey it into Fort Worth and Dallas, Tex. We hope to extract this helium in considerable quantities at our plant in Texas, which was built under the stress of war. The Government has spent a great deal of money on the plant and it has not yet reached a production basis, but we hope it will in the next few weeks. With the use of helium the lighter-than-air ship would take on a great increase in value because her vulnerability would be very much reduced. Not being able to ignite the contents of the bag, it would be impervious to incendiary bullets and, of course, its value would be increased. Our hope is that we will be able to use helium in the lighter-than-air craft, but, as I say, that is a hope which has not yet been realized. However,

we have reasonable assurance that our expectations will come around all right.

TRAINING AND QUALIFICATIONS OF FLYERS.

Mr. FRENCH. I would like to have the captain say a word as to the length of time required in training crews to outfit either the lighter-than-air or heavier-than-air machines.

Capt. CRAVEN. Of course, when we entered the war in 1917 we had nothing in this country in the way of aviation. I say nothing, for we had only some 40 officers and about 160 men in the Navy interested in aviation, with practically no equipment. At the close of the war our total personnel was something over 20,000, as I remember it. The training to permit expansion was a very important matter, and we had to establish schools, such as that at the Great Lakes, for the training of mechanics, and we also had to establish flying training schools all along the coast. Some of the stations which are enumerated here in our estimates were used as flying schools. The training to fly does not take many hours in the air; a young man with the proper instincts and attributes learns to fly promptly, but to fly usefully to the Navy, to be able to communicate with ships by wireless, to understand the tactics of the ship, and to be able to cooperate intelligently with the ships, requires many years of experience, and that is the reason why our work in the Navy is more complicated than the work of men flying over the land. A man must accustom himself to conditions which exist on the surface of the water and under the surface of the water, which knowledge he can not acquire except through several years of experience. Consequently, to-day we require the officers who come into aviation to go to sea for at least three years after graduation from the Naval Academy. Then we take them, and in nine months give them a course at Pensacola, or our other flying schools, which, when they complete, they are qualified as pilots. In other words, we require a nine months' course for a man who is already a naval officer.

Mr. BYRNES. I have always understood, as far as the Army was concerned, that it took youngsters to be successful aviators, and I have wondered, under the method you are following of sending a man to sea for three years before you start him, what is going to be the result. You will have older men in the service as pilots than has been generally the rule in the Army.

Capt. CRAVEN. Yes, sir; but with this difference: We will take a graduate of the Naval Academy as being 21 or 22; after three years he will be 24 or 25; he will remain a pilot, then, for three years, which will mean 28 or 29, and then he would be returned to the service as an officer, and we will continue with new men. The Army takes them and, with the existing plan, they remain in the Air Service. It is a young man's game, as you say, the trick flying and fancy flying which they have to do.

Mr. BYRNES. Aside from trick flying, is it not a young man's game; I mean, air fighting?

Capt. CRAVEN. Air fighting is a young man's game, too. I think both services appreciate the necessity of keeping down the age of the flyers.

APPROPRIATION FOR NAVAL STATIONS.

Mr. KELLEY. We will go ahead with these stations unless there are other questions of a general character. When you come to the maintenance of these stations, it strikes you as though the sums are very large and that if such large sums are to be needed for shore activities the number of stations ought to be reduced. For instance, there is \$1,025,770 at Pensacola; there is \$762,600 at San Diego; \$150,000 at Pearl Harbor; \$519,000 at the aircraft factory; \$757,000 at Lakehurst; \$400,000 for the helium plant; \$252,412 at Quantico; \$157,132 at Haiti, and \$75,000 for the rigid station on the Pacific, making, together with other lesser places, a total minimum that you are asking for of \$7,286,120. How much did you have for that purpose this year? It will probably come under that portion of the bill which reads:

For maintenance and operation of aircraft factory, helium plant, air stations, fleet activities, testing laboratories, and for overhauling of planes, \$6,044,600.

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. And that included the conversion of those tenders?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. How much did it cost to convert the tenders?

Capt. CRAVEN. \$750,000 was appropriated for that work. I will invite your attention, Mr. Kelley, to this fact: That those are not all aviation stations but everywhere, where aviation appears, we have to pay for installations out of this aviation appropriation. The fleet supply base is a general supply base; the Great Lakes is the Great Lakes Training Station; the Naval Observatory is here in Washington; and the Washington Navy Yard wind tunnel is a part of the Washington Navy Yard, so that by merely reading a number of names from this list one gets an improper idea as to the number of air stations. Those are existing stations and activities, and, as I have said, wherever we go we have to pay our way out of this fund.

GREAT LAKES.

Mr. KELLEY. What is the amount carried for the Great Lakes?

Capt. CRAVEN. \$60,600.

Mr. KELLEY. That is for the school and the maintenance of the buildings in which that school is located?

Capt. CRAVEN. The maintenance not only of the buildings but everything else connected with the school that has to do with aviation, and to supply certain equipment for the school.

Mr. KELLEY. So that all the expense of maintenance of aviation at the Great Lakes is paid for by you?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Did you allocate \$60,000 to the Great Lakes this year?

Capt. CRAVEN. We gave them this year, I think, about \$80,000.

QUANTICO.

Mr. KELLEY. There are a number of items at the bottom of this list. One is for the marines and would seem, offhand, as though

there was quite a bill to pay at Quantico for the maintenance of aviation, \$252,412.

Capt. CRAVEN. Flying is very expensive.

Mr. KELLEY. This is for the maintenance of the buildings and the upkeep of the machines.

Capt. CRAVEN. And for fuel and the other things which they use in connection with their operations there. That covers the entire cost of operating the major marine camp at this post.

Mr. BYRNES. What is the item of \$120,000 under Yards and Docks, in addition to maintenance?

Capt. CRAVEN. Mr. Kelley is looking at the right-hand side of the page and I think you are looking at the left-hand part.

Mr. BYRNES. Then there is another item of \$104,000, under Yards and Docks.

Lieut. BRAGG. That is the same sort of an item as the one discussed in connection with Hampton Roads, namely, for repairs to all buildings and the cost of heat, power, light, and fuel, and other maintenance items.

Mr. BYRNES. About how much of it is for repairs to buildings?

Lieut. BRAGG. That I am unable to give in detail, but at Quantico I imagine it is possibly one-third for repairs to buildings. There most of the buildings are temporary, portable buildings, which they put up at Miami and then brought to Quantico and reerected. At Quantico there is a large number of temporary buildings and all of these buildings are of more temporary construction than those at the regular naval stations.

Mr. KELLEY. Could you take the last column, amounting to \$7,286,120, and divide it into oil, fuel, repairs on buildings and maintenance of buildings?

Capt. CRAVEN. I think we have that here, sir. The total appropriation or allotment proposed for the Bureau of Yards and Docks is \$1,727,000; that would be the total proposed to be spent on the ground for the maintenance of plants; it includes heat, light, power and everything of that kind.

Mr. BYRNES. It also includes repairs to buildings?

Capt. CRAVEN. Yes, sir.

Mr. BYRNES. Mr. Kelley asked whether it were possible to state the difference in that item as between repairs to buildings and that part of it which is to be used for the maintenance and upkeep of the buildings.

Mr. KELLEY. If you can work it out, we want to know how much of this sum is going to be spent on these old buildings in the way of paint, upkeep, repairs to roofs, and things of that kind, and then how much for maintaining the plant on shore in the way of heat, light, and power, and then the repairs and maintenance of the craft.

(The matter referred to above follows.)

Under Yards and Docks, based on the \$35,000,000 estimate, the amounts requested for maintaining and operating the various stations and activities are shown in the first column of the accompanying table. Of these amounts the second column shows the estimated amount that would be spent on repairs, upkeep, and painting of all buildings, structures, roads, etc. The figures given in the third column indicate the approximate amounts that would be spent on fuel for supplying heat, light, and power.

	Mainte-nance.	Repairs.	Fuel.
Pacific Fleet Landing Field.....	\$50,000	\$10,000	.....
Atlantic Fleet Landing Field.....	50,000	10,000	.....
Hampton Roads.....	200,000	40,000	\$40,000
Pensacola.....	300,000	70,000	40,000
Rockaway.....	150,000	30,000	15,000
Anacostia.....	30,000	6,000	5,000
Coco Solo.....	50,000	10,000	1,000
San Diego.....	250,000	50,000	20,000
Chatham.....	30,000	6,000	12,000
Cape May.....	150,000	30,000	35,000
Pearl Harbor.....	180,000	20,000	5,000
Aircraft factory, Philadelphia Navy Yard.....	100,000	15,000	20,000
Lakehurst.....	400,000	30,000	110,000
Quantico.....	120,000	25,000	.....
Parris Island.....	30,000	6,000	.....
San Diego (Dutch Flats).....	50,000	10,000	.....
Haiti.....	20,000	4,000	.....
San Domingo.....	12,000	4,000	.....
Guam.....	50,000	10,000	.....
Pacific coast rigid station.....	150,000	20,000	.....
Cavite.....	30,000	6,000	.....
Miscellaneous.....	300,000	.....	.....
	2,702,000	412,000	303,000

Under Yards and Docks, based on the \$21,259,590 estimate, the amounts requested for maintaining and operating the various stations and activities are shown in the first column of the accompanying table. Of these amounts, the second column shows the estimated amount that would be spent on repairs, upkeep, and painting of all buildings, structures, roads, etc. These amounts are much smaller than in the previous table on account of reduction in total estimates. The figures given in the third column indicate the approximate amounts that would be spent on fuel for supplying heat, light, and power. These amounts are the same as in column three of the previous table except at those stations where the activities will have to be greatly reduced.

	Mainte-nance.	Repairs.	Fuel.
Pacific Fleet Landing Field.....	\$50,000	\$10,000	.....
Atlantic Fleet Landing Field.....	50,000	10,000	.....
Hampton Roads.....	99,000	15,000	\$30,000
Pensacola.....	250,000	50,000	40,000
Rockaway.....	30,000	5,000	5,000
Anacostia.....	16,000	3,000	5,000
Coco Solo.....	45,000	10,000	1,000
San Diego.....	250,000	50,000	20,000
Chatham.....	2,000	.....	500
Cape May.....	150,000	30,000	12,000
Pearl Harbor.....	78,000	10,000	5,000
Aircraft factory, Philadelphia Navy Yard.....	40,000	5,000	20,000
Lakehurst.....	350,000	15,000	110,000
Quantico.....	104,000	20,000	.....
Parris Island.....	1,000	.....	.....
San Diego (Dutch Flats).....	30,000	5,000	.....
Haiti.....	21,000	4,000	.....
Guam.....	50,000	10,000	.....
Pacific coast rigid station.....	75,000	10,000	.....
Miscellaneous.....	38,000	.....	.....
	1,727,000	262,000	248,500

Mr. BYRNES. The buildings at Quantico are on leased land and not on Government land?

Capt. CRAVEN. Yes, sir.

Mr. BYRNES. Was there no room on the land owned by the Government for the erection of those buildings?

Capt. CRAVEN. No; the land is uneven and irregular, so that we could not establish a flying field upon it.

Mr. BYRNES. You have a lot of land there, have you not?

Capt. CRAVEN. A great deal of land, but it is hilly and not suitable for a landing field.

Mr. BYRNES. Do you consider the plan of moving these buildings from Florida a good plan and a cheaper plan than to have made the land owned by the Government available as a flying field?

Capt. CRAVEN. At Quantico?

Mr. BYRNES. Yes.

Capt. CRAVEN. The cost would have been absolutely prohibitive; the leveling of that land would have cost a tremendous sum of money. The cost of this land is not very great; they have 200 acres, and it certainly can not be valued at over \$200, which would make \$40,000.

Mr. WOOD. And after you put your buildings on it you could not get it for \$1,000?

Capt. CRAVEN. We have an option on it, I think.

Mr. BYRNES. You valued the Spreckles land at \$1,000,000 and it cost you \$5,000,000.

Capt. CRAVEN. I do not believe that the business end of that matter was looked out for as carefully as has been the case with Quantico.

Mr. KELLEY. Did you put up the buildings at Quantico during the war?

Capt. CRAVEN. No, sir; after the war.

Mr. KELLEY. Have you had time since yesterday to inquire into the legal situation as to these various stations?

Capt. CRAVEN. No, sir; that is being worked up this morning.

Mr. KELLEY. You do not know whether you are legally installed at Quantico or not?

Capt. CRAVEN. No, sir; I can not answer that until later in the day.

Mr. BYRNES. You have no authority to purchase land there?

Capt. CRAVEN. No authority to purchase land there; no, sir.

PARIS ISLAND.

Mr. KELLEY. Is there some flying at Paris Island?

Capt. CRAVEN. Paris Island is a very good place at which to fly; that is, the land is flat and in every way suitable, but if we have to contract, the Marines' idea is that they would practically stop operations at Paris Island and concentrate in one station at Quantico.

Mr. KELLEY. If we did not have Quantico, Paris Island would answer the needs of the Marines?

Capt. CRAVEN. If you did not have Quantico you would have to go to Paris Island.

Mr. KELLEY. That is to say, if the marines were all at Paris Island your flying could easily be handled from one place.

Capt. CRAVEN. Yes, sir.

Mr. WOOD. We own that land, do we not?

Capt. CRAVEN. Yes; I think the purchase has been consummated; there was some question about the title, but I am under the impression it has been purchased. Of course, it is highly desirable to have the marine aviation contingent with the marine contingent proper, so that they may know one another and develop their tactics simultaneously. For that reason it was deemed essential that they should have this establishment at Quantico.

Mr. BYRNES. The marines are at Paris Island too, are they not?
Capt. CRAVEN. Yes, sir.

Mr. KELLEY. We probably never would have had Quantico if the war requirements for 50,000 or 75,000 marines did not seem to be urging it, would we?

Capt. CRAVEN. I was not in the country during the war and I do not know what led up to that.

HAITI AND SAN DOMINGO.

Mr. KELLEY. Is it necessary to spend all of this money at Haiti and San Domingo?

Capt. CRAVEN. Those figures are based on the performances of the last two years and can not be changed.

Mr. KELLEY. How much did you spend at Haiti and San Domingo last year?

Mr. FRENCH. There is nothing called for at San Domingo.

Mr. BYRNES. Do you own the land down there too?

Capt. CRAVEN. No.

Mr. WOOD. Are we not withdrawing all of our supervision over Haiti and San Domingo?

Capt. CRAVEN. No, sir.

Mr. WOOD. Then what is all this stuff we have been reading in the paper about that?

Capt. CRAVEN. We have not removed anybody as yet.

Mr. WOOD. You have not removed anybody?

Capt. CRAVEN. No, sir; I am told it will be some time before we get out of there. We have not included anything for San Domingo for next year.

GUAM.

Mr. KELLEY. How could we spend \$96,800 at Guam?

Capt. CRAVEN. We have a contingent now going out there.

Mr. KELLEY. If we do not give this money they can come back, can they not?

Capt. CRAVEN. Yes, sir; they will have to.

Mr. KELLEY. What would happen to these flyers at Guam if we got into a war?

Capt. CRAVEN. Well, I guess they would share the fate of the rest of the people in that locality.

Mr. KELLEY. They would be captured right away, would they not?

Capt. CRAVEN. I do not know how soon, but probably ultimately.

Mr. KELLEY. The \$96,800 for Guam could come out without a detriment to anybody?

Capt. CRAVEN. It would affect the projects contemplated by the Navy for next year.

Mr. KELLEY. For overhauling planes drawn from storage you estimate \$200,000.

Capt. CRAVEN. We have many planes now in storage left over from the war stock. They deteriorate very materially in storage, and to recondition and prepare them for issue considerable sums of money have to be spent on them. That amount covers that item.

LAKEHURST.

Mr. KELLEY. Under yards and docks you have \$350,000 for Lakehurst. What are you going to do up there?

Capt. CRAVEN. I will ask Lieut. Bragg to explain that.

Lieut. BRAGG. The station will probably be in complete operation after July 1. There is a large power plant now under construction, and the cost of the fuel and the wages of employees in the power plant, and of operating it for one year, will be considerable. It will vary from \$125,000 to \$200,000, depending on how extensive the operations are. There are shops there which use power and there will be considerable lighting of the quarters, barracks, shops, and other buildings.

Mr. KELLEY. We do not own that land, do we?

Lieut. BRAGG. Yes, sir.

Mr. KELLEY. How did the Navy get in there?

Capt. CRAVEN. Two years ago Lakehurst was selected and approved by Congress, and we were allowed to purchase the land on a site occupied by the Army during the war. We bought 1,200 or 1,300 acres of land at about \$9 an acre for the purpose of erecting a rigid station; that is, a station at which a rigid plane could be constructed and operated, the first of its kind in this part of the world.

Mr. KELLEY. What are you going to do with the rest of this \$350,000 under Yards and Docks?

Lieut. BRAGG. That is for the upkeep and operation of all the transportation systems. We have two locomotives there and motor trucks and this amount is used to help pay for the civilians.

Mr. KELLEY. How many civilians have you?

Lieut. BRAGG. At the present time I do not know how many, but I think it is a smaller number than will be there after July 1, when the station is operating.

Mr. KELLEY. How many are there now?

Lieut. BRAGG. For all operations, I think there are approximately 40 or 50 civilians.

Mr. KELLEY. Are they mechanics?

Lieut. BRAGG. Yes; some of them.

Mr. KELLEY. Or watchmen?

Lieut. BRAGG. Some of them. I think there are more than 50 all together; we have about 20 watchmen, we have carpenters, mechanics, laborers, clerks, inspectors, draftsmen, and so on. The area is ~~so~~ large it requires quite a force of watchmen to properly police it. In addition to that power is furnished for the buildings, quarters, and barracks; there are to be housed there 500 or 600 enlisted men, and all the charges in connection with the upkeep of their barracks, mess halls, latrines, and so on, will come out of this fund.

Mr. KELLEY. Is this directed operated with the fleet? Is this a fleet base?

Capt. CRAVEN. The location is between Philadelphia and New York in northern New Jersey, about 15 or 20 miles from the coast line.

Mr. KELLEY. Is there a harbor there?

Capt. CRAVEN. No, sir; the ships fly out over the water and we operate with the fleet when it is in this area.

Mr. KELLEY. I suppose the legislation that was put in the Army bill last year really does not limit you at all. It appeared in the appropriation act of June 5, 1920:

That hereafter the Army Air Service shall control all aerial operations from land bases, and Naval Aviation shall have control over aerial operations attached to a fleet, including shore stations, whose maintenance is necessary for operations connected with the fleet, for construction and experimentation and for the training of personnel.

Capt. CRAVEN. No, sir; that does not affect our present establishments.

Mr. KELLEY. That is to say, that language is so drawn that you could build a station anywhere and it would come within the scope of naval activities.

Capt. CRAVEN. I think so, sir.

FOR CONTINUING EXPERIMENTS AND DEVELOPMENT WORK ON ALL TYPES OF AIRCRAFT.

Mr. KELLEY. The only large item under aviation for the Navy on page 11 of the draft is "for continuing experiments and development work on all types of aircraft." You are asking for how much there?

Capt. CRAVEN. We had it \$3,705,000 and have reduced it to \$2,450,000.

Mr. KELLEY. Make a statement as to that.

Capt. CRAVEN. I regard this as one of the most important items which is included in our request. We have detailed certain types of planes and certain definite projects as those necessary, but, of course, we would like to retain the privilege of dipping into any field and working up any type of plane which comes to our attention and which seems particularly necessary and desirable. The development of a new plane is an exceedingly expensive proposition; contractors do not like to take the risk of developing machines, the flying of which may or may not be successful, and the Government has to pay the cost. We have not yet developed the type of plane necessary for naval purposes; that is, which is properly suited for naval purposes. We must have flotation in airplanes; we must have ruggedness; we must have the ability to take them down and assemble them quickly and stow them away in ships; they must be able to fly from the decks of our carriers, and return thereto, alight on the water, and they must have slow landing speed which will allow them to come down on the deck of a ship. In addition to those cardinal principles which have to be incorporated in planes used by ships they must be able to carry a military load—that is, they must be able to carry bombs or guns or torpedoes, as well as instruments for communicating, and so on. The problem is much more complicated and involved than is the one which belongs to the Army, and the state of our development is far behind that in which the Army finds itself to-day. So that item for experimental work is a most important one, and by many of the people around me it is regarded as the most important one of all in this table.

CLASSIFIED EMPLOYEES.

Mr. KELLEY. Now, about the classified force. How much are you asking for that on the revised basis?

Capt. CRAVEN. We are asking \$400,000. The condition with regard to the classified force is very peculiar. As you know, under the method of handling aviation in the Navy, each bureau has its own section of aviation, and some bureaus look at details more liberally than others; some, in other words, do more for aviation with regard to classified employees than others do. The Bureau of Construction and Repair, for example, employs a great many people on aviation matters, and has done so for a long while rather freely, and has been able to do so. Yards and Docks, on the other hand, feels that its general appropriations are so restricted that it makes greater demand on aviation for more assistance in order to complete these projects which we must have in order to go on and complete these stations which we are trying to build up and get some regular establishments on our coast and go ahead with our work. Most of our establishments are of a temporary nature, on which great sums have been expended, but they are falling to pieces. In the Navy, up to the present time, we have been able to employ a lot of reserve officers and reserve personnel on technical work, but those technicians are leaving us; they are going back to civil life and leaving these vacancies. There is a feeling in the department that that sum of \$275,000, which has been appropriated for the last two or three years, must be increased in order to permit this work to be carried on properly during the next year.

TO CONTINUE AUTHORIZED CONSTRUCTION OF ONE RIGID AIRSHIP.

I would like to invite your attention, Mr. Chairman, to a thing which you omitted as you went down the list. An amount out of the current appropriation for the rigid airship which is being built in this country, of about \$1,000,000, will revert to the Treasury, and we are asking here for \$1,000,000 to replace that amount. They have not been able to spend that money this year or will not be able to spend that money this year on the rigid which is being constructed in the United States, and it will revert to the Treasury. So what we have put down for is merely a reappropriation of that sum.

Mr. KELLEY. That is under subhead A, and in the third division, to continue authorized construction of one rigid airship.

Capt. CRAVEN. Yes, sir: \$1,000,000; that is virtually a reappropriation; that amount will revert to the Treasury this year.

Mr. KELLEY. If you do not have that, is there any other sum you would not need because of the fact that you did not have that rigid? You possibly would not need some hangars that you are providing for.

Capt. CRAVEN. The only hangars we are providing for will be completed before the end of this fiscal year.

Mr. KELLEY. Where is this rigid to be stationed?

Capt. CRAVEN. This rigid will be erected in the hangar at Lakehurst and operate from that region. We have not yet completed the hangar there.

Mr. KELLEY. Why will you not be able to use that money this year?

Capt. CRAVEN. Because the hangar is not yet erected and the ship can not be carried on until the accommodations are available.

Mr. KELLEY. Will \$1,000,000 complete the rigid?

Capt. CRAVEN. That is the estimate; yes, sir.

Mr. KELLEY. Would you need the entire \$1,000,000 during the next fiscal year?

Capt. CRAVEN. That is the estimate of the bureaus concerned—that they can spend that money during the next year.

Mr. KELLEY. That is the Bureau of Construction and Repair?

Capt. CRAVEN. Yes, sir; and Engineering; \$800,000 under construction and repair and \$200,000 under engineering.

TO CONTINUE MISCELLANEOUS NEW WORK IN GOVERNMENT PLANTS.

Mr. KELLEY. To continue miscellaneous new work in Government plants uncompleted July 1, 1921, \$150,000.

Capt. CRAVEN. There are various projects which are being carried on and for which there will be no funds during the next year unless they are provided for in some place in this appropriation, and it is believed that \$150,000 will complete those various things, most of them at the aircraft factory, new experiments and new developments which they are conducting there.

Mr. KELLEY. They were begun out of appropriations made for this year?

Capt. CRAVEN. Yes, sir.

TO CONTINUE AUTHORIZED CONSTRUCTION OF GIANT BOAT.

Mr. KELLEY. To continue authorized construction of giant boat, \$290,000.

Capt. CRAVEN. The giant boat was begun this year. That will be the biggest seaplane ever built, and will be twice the size of the NC-boats. It weighs about 60,000 pounds and has a spread of over 150 feet. It is the biggest seaplane of which we have knowledge. The Bureaus of Construction and Repair and Steam Engineering are very desirous of carrying that development on; they have spent about \$10,000 on preliminaries for the construction of that boat, and the desire is to get \$290,000, which will permit of the completion of the craft.

Mr. KELLEY. That makes a total to continue work now in progress of \$1,440,000?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Do you feel it is necessary to build that rigid this year?

Capt. CRAVEN. I do, sir. Unless that rigid is started we will have only one rigid operating next year, and she of foreign design. If there is anything in the rigid design of value at all, and we believe there is, the sooner the industry is begun in this country and the sooner we get personal experience with rigids, with the construction of rigids, and the development of the materials of which rigids are constructed, the better.

Mr. KELLEY. If you did not have this rigid, what difference would it make in the upkeep of Lakehurst?

Capt. CRAVEN. It would reduce our expenses at Lakehurst, of course.

Mr. KELLEY. Would it cut the expenses in half?

Capt. CRAVEN. Not for this year, sir, because this rigid being built abroad will be operated from there and if this authority is granted another rigid will be built there.

Mr. KELLEY. How much will this giant plane cost?

Capt. CRAVEN. \$300,000.

Mr. KELLEY. Is this the initial appropriation for this rigid, this \$1,000,000?

Capt. CRAVEN. No, sir; the initial appropriation was made last year, \$1,500,000.

Mr. KELLEY. And you did not use that?

Capt. CRAVEN. We are going to turn in about \$1,000,000 this year.

Mr. KELLEY. What did you do with the rest of it?

Capt. CRAVEN. The rest of it is being expended or will be expended during this year on work on the ship, the fabrication of metals and preparation of design.

Mr. KELLEY. Have you let the contracts?

Capt. CRAVEN. No, sir; it is to be built at the aircraft factory by the Government.

Mr. KELLEY. So that no work has really been started so far?

Capt. CRAVEN. I find that about \$500,000 has been obligated and that about \$1,000,000 will revert to the Treasury.

Mr. KELLEY. What you are asking is to have \$1,000,000 available after next July to complete your original project?

Capt. CRAVEN. Yes, sir; reappropriated after next July.

Mr. KELLEY. Where do you get the material for craft of this kind?

Capt. CRAVEN. I will ask Commander Hunsacker to answer that question.

Commander HUNSACKER. The structural material, aluminum shapes, and all metal parts are being made on contract by the Aluminum Co. of America at Pittsburgh, and the gas bags on contract with the Goodyear Tire Co. at Akron.

STOCK OF LIBERTY MOTORS.

Mr. KELLEY. What make of engine will go in a craft of this sort?

Commander KRAUS. The ship as at present designed is designed to receive Liberty engines that are prepared for this particular service.

Mr. KELLEY. What is the situation as to the stocks of Liberty motors owned by the Navy?

Commander KRAUS. We have a considerable number of engines on hand, and the situation, so far as Liberty engines are concerned, is satisfactory, except the question of spare and renewal materials. Those stocks are completely exhausted as to a good many items and very low in a great many other items. So we have been compelled during this fiscal year to disassemble a considerable number of engines for spare parts, always, of course, selecting engines that were in need of overhauling or engines that had about run their useful life. At the present time there are about 300 Liberty engines distributed at various air stations that have about completed their useful operating life that we will have to survey and expend from the list, as they are absolutely worn out. I have a complete statement of the situation included in the hearings before the Naval

Affairs Committee of the House of Representatives. We had altogether 3,421 Liberty engines.

There are approximately 300 Liberty engines in storage at naval air stations unfit for further service; at the naval aircraft factory, Philadelphia, there are 596 new and 427 overhauled Liberty engines, or a total of 1,023. One hundred of these engines will be required to cover the planes that the Government is obligated to sell to a vendor who has taken a contract to sell a certain number of planes, and obviously, we will have to supply the engines in order to make the sales possible. That leaves 923 engines in serviceable condition as a reserve, and against that we must retain something in excess of 500 engines for airplanes that will be issued to the service under the program outlined for the ensuing fiscal year, which leaves about 400 engines in reserve to the end of the next fiscal year. The Liberty engine is practically the only engine of large power that we are in a position to produce to-day economically and in large quantities on short notice. It seems inexpedient to absolutely exhaust that stock, as we should have some power plant material available to go into a schedule of production if it should become necessary, as the engines very generally take longer to develop and fabricate than the planes do. For that reason we have asked for a more liberal allowance under maintenance this year than last year, with the idea of not making great reductions in the working capital we have in the way of Liberty engine material. What we have actually been doing for the last two fiscal years is operating on reduced expenditure of newly purchased materials, but on an increased expenditure from stocks, so that at the end of each fiscal year we are finding ourselves in an increasingly less favorable position as regards materials available for issue.

Mr. KELLEY. You say you have 400 reserve Liberty motors?

Commander KRAUS. Yes, sir.

Mr. KELLEY. As I recollect, the Army has some 20,000 stored in one place.

Commander KRAUS. I think they have about 10,000 Liberty engines altogether.

Mr. KELLEY. Are they keeping those for aviation?

Commander KRAUS. They are being stored for aviation, I presume with the same object in view that we have, of retaining a reasonable reserve available in case we are required to place, for war purposes, a large number of reserve machines in active operation, or should find ourselves in need of additional machines on short notice.

Mr. KELLEY. Do you think we ought to keep a large supply of Liberty motors as against a war contingency?

Commander KRAUS. I would not recommend indefinitely maintaining a large supply of Liberty engines.

Mr. KELLEY. I should think that progress in engine building might put those in the scrap heap.

Commander KRAUS. Exactly.

Mr. KELLEY. If you kept them very long.

Commander KRAUS. And it is for that reason I would not recommend indefinitely maintaining a large stock of Liberty engines in storage, but till a better engine of the power with equipment for production in quantity is available, the Liberty should be kept available.

Mr. KELLEY. Why would it not be a good idea to go ahead and use them, because you have so many in the Army and Navy that there would not be any danger of running out of them?

Commander KRAUS. We are using them up rather rapidly and more rapidly than we had anticipated, because we are now finding it necessary to take Liberty engines out of service that have run their full life, and we are finding the overhauling expensive on a large number of the engines that have been flying a large number of hours.

Mr. KELLEY. When you want to build some new craft, you take from your stock of 400 the necessary engines to do it?

Commander KRAUS. Yes, sir.

Mr. KELLEY. In your appropriation for new craft, are you asking money for new engines?

Commander KRAUS. Not where we install the Liberty engine. We show the cost in our estimate but do not carry it forward in the total, because the engine is available. The stock of engines is not such that we can economically supply spare parts indefinitely by disassembling, for obviously all parts do not disappear in the service at the same rate, so that we will acquire a large stock of material that we will ultimately have to sell as scrap, if we continue to disassemble engines, and for that reason we must buy the proper sort of spare parts to maintain them.

Mr. KELLEY. Take corporations like the Buick, General Motors, the Packard, or Ford that made those Liberty motors—how long would it take them to start on the manufacture of these Liberty engines?

Commander KRAUS. It is rather difficult for me to say.

Mr. KELLEY. Have they dismantled those shops?

Commander KRAUS. Those shops are completely dismantled and turned over to other production. The special jigs, tools, fixtures and special equipment for the manufacture of Liberty engine parts have, in most cases, remained as the property of the Government, and the War Department now has custody of that material.

Mr. KELLEY. Could you not get spare parts through the War Department for any part of the Liberty motor?

Commander KRAUS. We are at present engaged in just that thing, either one department or the other is going to take one set of the special tools and fixtures and under contract with an outside manufacturer obtain parts jointly, so that we are taking full advantage of the equipment that the Government has to reduce the cost of production.

Mr. KELLEY. I suppose the Packard plant in Detroit manufactured great quantities of these engines?

Commander KRAUS. Yes; I think the majority of the Navy's engines came from the Packard plant.

Mr. KELLEY. Suppose you made some arrangement for the manufacture of spare parts for the Army and the Navy, then you would not have to tear down any of these engines.

Commander KRAUS. That is the arrangement which we desire to effect.

Mr. KELLEY. I should think that would be a very simple and easy thing to do.

Commander KRAUS. It would be at the present moment, when none of those shops are particularly loaded with the regular production, and from that point of view we might effect an economy.

Mr. KELLEY. There is no trouble in making suitable arrangements with the Army, I suppose.

Commander KRAUS. There has been some delay in getting together a complete set of fixtures, and getting an agreement with the Army for the service, but we are now in a position—and I think the Army is in a similar position—where something must be done, and the Navy Department will either obtain the necessary fixtures from the Army Air Service and initiate production or the Army Air Service will.

Mr. KELLEY. Captain, you had \$1,500,000 appropriated for this rigid, and that was available until last July. Did you use any of that?

Capt. CRAVEN. As I understand it, we have used about \$500,000.

Mr. KELLEY. That was available until last July?

Capt. CRAVEN. Yes.

Mr. KELLEY. How much of that fund was used?

Commander HUNSAKER. I think something slightly over \$500,000.

Mr. KELLEY. And for this year you had a further appropriation of \$1,500,000, and you will not be able to use any of that?

Capt. CRAVEN. Except about \$500,000.

Mr. KELLEY. Which is obligated?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. How long has that been obligated—when were the contracts placed for these rigid boats?

Commander HUNSAKER. I think I may perhaps be confusing the record as to this. Two bills carried the appropriations and there has been spent or obligated a total of \$645,000 from 1920 funds; during the present year not over \$500,000 and probably less will be spent or obligated from 1921 funds.

Mr. KELLEY. So that either all of one fund or a part of each goes back into the Treasury.

Commander HUNSAKER. Yes, sir.

Mr. KELLEY. The original idea was that this ship would cost \$1,500,000.

Commander HUNSAKER. I think \$2,000,000, but there was no advantage in appropriating the entire amount then. The 1920 bill authorized the construction of this ship and appropriated \$1,500,000 toward it.

Mr. KELLEY. And you have obligated \$500,000 and are asking for \$1,000,000 in this bill.

Commander HUNSAKER. Yes, sir.

Mr. KELLEY. That will make \$1,500,000, and then there will be another appropriation of about \$500,000 to finish it—is that right?

Commander HUNSAKER. The original estimate, based on prices abroad, was \$2,000,000; since we have gone into building it ourselves and are obligating money to various contractors, it appears that the estimate is fairly liberal for the straight construction; if, however, we have bad luck and parts fail, additional funds will be needed, and those additional funds will bring the cost up to the original amount estimated, \$2,000,000. It appears that on building the first ship in this country we should anticipate a certain amount of bad luck, but we do not know just what it will be.

Mr. KELLEY. Does that include anything for the armament?

Commander HUNSAKER. No.

Mr. KELLEY. How much will that cost in addition?

Capt. CRAVEN. That will not cost anything against our appropriation; we have the armament for that ship, and the Bureau of Ordnance will supply any weapons which we carry.

Mr. KELLEY. But they will come here and get the money first.

Capt. CRAVEN. We have not worried about that, as the armament on that ship does not amount to a great deal. As I told you, she is not designed for fighting; she is a scout, and her armament would not be very extensive.

Mr. KELLEY. Was there not an understanding that only one branch of the military service should engage in the lighter-than-air business.

Capt. CRAVEN. The understanding is that the Navy shall undertake and develop rigidis; the Army is not do it, and it is all in naval hands; if the Navy does not do it it will not be done in this country.

Mr. KELLEY. So there is no lighter-than-air experimentation, or anything of the kind, going on in the Army.

Capt. CRAVEN. Yes, sir; I said rigidis. The Army is working on coastal nonrigidis, and I believe they are thinking of doing something with semirigidis.

Mr. KELLEY. Inasmuch as the dirigible is a coast affair almost entirely, why is not that a proper function for the Army rather than the Navy?

Capt. CRAVEN. Because it is an overseas affair.

Mr. KELLEY. You would not want to get so very far from home during a war.

Capt. CRAVEN. One of the large rigidis has crossed the Atlantic and gone back again, that is, the kind we are speaking of now.

Mr. KELLEY. I know they can go all right if nobody disturbs them, but they are a very nice target for anybody that was looking for them.

Capt. CRAVEN. Yes, sir; you would have to arrange to protect them, but in gaining information to where ships are for the purposes of the major force they would be valuable. It would seem that the Navy should control their creation.

Mr. KELLEY. It seems as though we ought to sell this lighter than air outfit entirely and let them handle it.

Capt. CRAVEN. I hold just the contrary opinion.

Mr. KELLEY. And your opinion undoubtedly is based—

Capt. CRAVEN (interposing). On facts.

Mr. KELLEY (continuing). On scientific reasons while mine is the result of a casual glance on the part of a layman.

Capt. CRAVEN. History will show that any success which mobile lighter than air craft had during the war was on the part of the Navy; the Army effort with mobile lighter than air craft failed. The rigidis were first employed by the Germans and the Central Powers in overland operations, and their great size and vulnerability made them very easy to attack, and when they had any success which amounted to anything it was as naval scouts.

Mr. KELLEY. Where did they have any success as naval scouts?

Capt. CRAVEN. They scouted over the North Sea for months and permitted the German fleet to exercise in the North Sea. The German Emporer issued an order, against the advice of some of his followers, that the fleet should not go to sea unless it was preceded by aerial reconnaissance, and the German records of the war are full

of reports as to the successes of rigids, but only as scouts, not as offensive weapons.

Mr. KELLEY. They are just watchposts?

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. In the sky?

Capt. CRAVEN. Yes, sir; giving you information about the enemy, his whereabouts and disposition.

Mr. KELLEY. How high up would they anchor?

Capt. CRAVEN. They would hover about; they can go well up to 20,000 feet, but normally they would remain at much lower elevations, depending on what they meant to do, and what the conditions were in the atmosphere.

Mr. KELLEY. They must have been visible to the allied forces?

Capt. CRAVEN. Oh, yes.

Mr. KELLEY. Why did they not bring them down?

Capt. CRAVEN. They did not always have the means to do so.

Mr. KELLEY. Were they too high up?

Capt. CRAVEN. Frequently they did not have the air-craft to attack them and perhaps the rigids had enough speed to escape under some circumstances. They are also used almost exclusively by the Navy, in coastal waters; they were used for scouting purposes and general reconnaissance work over the surface of the water; they were not employed offensively at all; by the Navy, that is, to deliver attacks. They were not employed successfully at all by the Army anywhere. The only lighter than-air-craft that was used generally by the Army was a kite balloon; that was used very extensively by the Army everywhere along all the fronts. But these other things, in our opinion, primarily and exclusively are naval units.

Mr. FRENCH. Have you determined the length of time, in a general way, that it takes to complete engines and to complete the aircraft of the different types.

Capt. CRAVEN. Of course, that is very indefinite. A new type of engine or of aircraft means to project one.

Mr. FRENCH. Well, I mean the standard.

Capt. CRAVEN. I will ask Commander Hunsaker to answer that, because he knows about the output during the war, which is perhaps what you want.

Commander HUNSAKER. You mean to put certain airplanes into production that you know all about.

Mr. FRENCH. Yes.

Commander HUNSAKER. In taking over a plant, such as the Victor Talking Machine plant—which we took over during the war—it takes about two months to clear out the machinery and arrangements already there, and arrange for getting in your jigs, tools, and fixtures, and then after that is done we expect deliveries inside of nine months.

Mr. FRENCH. From the time you begin to take over the plant?

Commander HUNSAKER. It takes about two months to get the plant in condition.

Mr. FRENCH. Then how rapidly will you turn them out?

Commander HUNSAKER. That depends on the size of the plant. It might take nine months in a little plant to begin getting out one a day and the same period to commence getting over 5 or 10 a day from a large plant. I think the same nine months would apply.

Mr. FRENCH. I want to know how long it takes to build that one ship, whether you are producing one or two a day.

Commander HUNSAKER. Well, if you begin with the getting of the plant in shape for operation, which is really the starting of it, I would say it would take somewhere around nine months.

Mr. FRENCH. And that would not have any relation to the small type or large type; it would simply be carried on in the one instance in a more comprehensive way.

Commander HUNSAKER. Yes, sir; the larger organization would be turning out a larger machine or more of them.

Mr. KELLEY. Captain, I wish you would put in the record all of the information I asked for yesterday, and will you be able to send that up to us this afternoon?

Capt. CRAVEN. I can not say how far along they have gotten with it. That analysis of the pay and ratings is a pretty difficult matter, and they are working on it now.

Mr. KELLEY. Particularly send to us this afternoon the information which will establish the legality of these various plants for which you are asking appropriations.

Capt. CRAVEN. Yes, sir.

Mr. KELLEY. Then give us the information this afternoon as to the division of this scheme under the stations for maintenance and repairs; that is, how much of that is for repair of buildings, how much of it is for maintenance, and how much for the repair of craft.

Capt. CRAVEN. Very well.

Note.—Based on the \$35,000,000 estimate the amounts requested under yards and docks for maintaining and operating the various stations and activities are shown in the first column of the accompanying table. Of these amounts the second column shows the estimated amount that would be spent on repairs, upkeep, and painting of all buildings, structures, roads, etc. The figures given in the third column indicate the approximate amounts that would be spent on fuel for supplying heat, light, and power.

	Maintenance.	Repairs.	Fuel.
Pacific Fleet landing field.....	\$50,000	\$10,000	.....
Atlantic Fleet landing field.....	50,000	10,000	.....
Hampton Roads.....	200,000	40,000	340,000
Pensacola.....	300,000	70,000	40,000
Rockaway.....	150,000	30,000	15,000
Anacosta.....	30,000	6,000	5,000
Coco Solo.....	50,000	10,000	1,000
San Diego.....	250,000	50,000	20,000
Chatham.....	30,000	6,000	12,000
Cape May.....	150,000	30,000	35,000
Pearl Harbor.....	180,000	20,000	5,000
Aircraft factory, Philadelphia Navy Yard.....	100,000	15,000	20,000
Lakahurst.....	400,000	80,000	110,000
Quantico.....	120,000	25,000	.....
Portis Island.....	30,000	6,000	.....
San Diego (Dutch Flats).....	50,000	10,000	.....
Haiti.....	20,000	4,000	.....
San Domingo.....	12,000	4,000	.....
Guam.....	50,000	10,000	.....
Pacific coast rigid station.....	150,000	20,000	.....
Cavite.....	30,000	6,000	.....
Miscellaneous.....	300,000	.....	.....
Total.....	2,702,000	412,000	303,000*

Based on the \$21,259,590 estimate the amounts requested under Yards and Docks for maintaining and operating the various stations and activities are shown in the first column of the accompanying table. Of these amounts, the second column shows the estimated amount that would be spent on repairs, upkeep, and painting of all buildings, structures, roads, etc. These amounts are much smaller than in the previous

table on account of reduction in total estimates. The figures given in the third column indicate the approximate amounts that would be spent on fuel for supplying heat, light, and power. These amounts are the same as in column three of the previous table except at those stations where the activities will have to be greatly reduced.

	Maintenance	Repairs	Fuel
Pacific Fleet landing field.....	\$50,000	\$10,000	.....
Atlantic Fleet landing field.....	50,000	10,000	.....
Hampton Roads.....	98,000	15,000	\$30,000
Pensacola.....	250,000	50,000	40,000
Rockaway.....	30,000	5,000	5,000
Anacostia.....	16,000	3,000	5,000
Coco Solo.....	45,000	10,000	1,000
San Diego.....	250,000	50,000	20,000
Chatham.....	2,000	.....	500
Cape May.....	150,000	30,000	12,000
Pearl Harbor.....	78,000	10,000	5,000
Aircraft factory, Philadelphia Navy Yard.....	40,000	5,000	20,000
Lakehurst.....	350,000	15,000	110,000
Quantico.....	104,000	20,000	.....
Parris Island.....	1,000	.....	.....
San Diego (Dutch Flats).....	30,000	5,000	.....
Haiti.....	21,000	4,000	.....
San Domingo.....	60,000	10,000	.....
Guam.....	75,000	10,000	.....
Pacific coast rigid station.....	.....	.....	.....
Cavite.....	38,000	.....	.....
Miscellaneous.....	.....	.....	.....
Total.....	1,727,000	262,000	248,500

Mr. KELLEY. Is there anything else you would like to say to the committee about aviation or about any of these suggested appropriations.

Capt. CRAVEN. No, sir; except, of course, you are familiar with the organization of the department and the difficulties under which we labor in preparing these estimates, the way we have to go about it through the different offices, and the labor we have to expend in getting them up and the indirect way in which we handle the thing.

Mr. KELLEY. In that connection, I will say that no bureau has furnished more satisfactory details than you have.

Capt. CRAVEN. I thank you, sir. That is due entirely to the corps of young men who are around me, and to the bureaus interested in these things. I hope, sir, if a bureau of aviation is to be established in the department you will be able to get more information than has been the case up to this time.

Mr. KELLEY. I wish you would put in the record a statement showing the estimated amount that Ordnance would be required to expend this coming year on behalf of aviation; any other bureaus which would not be reimbursed out of the appropriations for aviation directly, and in addition all the information I asked for about the men and officers yesterday, the idea being to bring together, if possible, in one place, what aviation will cost for one year on the basis of approximately \$2,000,000 which you had last year.

Capt. CRAVEN. Of course, you understand how arbitrary that has to be, because you might as well ask what a battleship costs the Navy, because aviation is a definite part of the Navy and is so considered, and the efforts of this and of that place and organization are turned directly to aviation at times.

Mr. KELLEY. But, in a way, it is a distinct service, and in some countries it is operated separately, as in England. What I am getting at is, what would this branch of the military service cost if it were

separated from the Navy, as near as you can estimate it without involving too much detail?

Capt. CRAVEN. A complete separation of this service from the Navy would mean the construction of a supply department, a transportation department, a medical department, a department to care for discipline, an accounting department, besides the Bureaus of Ordnance, Engineering, and Construction. It would require all of those outside things to be constructed, and not only those, but a new administrative department.

Mr. KELLEY. In other words, if we should get fully what aviation costs, it would be necessary to prorate the expenses of all—

Capt. CRAVEN (interposing). Every bureau of the Navy.

Mr. KELLEY. Not every one.

Capt. CRAVEN. Yes; every one, Medicine and Surgery, Supplies and Accounts, Judge Advocate's office—every one of these offices you will find intimately interested in it. As it is at present, we have no additional overhead for doing any of that work, but if you made a separation you would have to create all of the activities to care for those details.

Mr. KELLEY. I had no thought of doing that.

Capt. CRAVEN. I am glad, because it would be very uneconomical and unwise.

Mr. KELLEY. I think the other way—of possibly consolidating all aviation.

Capt. CRAVEN. That would be equally unwise.

Mr. KELLEY. I understand your opinion about that, and I respect it very much, but it has been done in some countries.

Capt. CRAVEN. England is the only one, sir; and, as I say, with dissatisfaction, so far as the navy is concerned.

Mr. KELLEY. I imagine there might be dissatisfaction in both the Army and Navy over any combination arrangement about anything.

Capt. CRAVEN. Yes, sir; we are all human beings.

Mr. KELLEY. Although it would seem as though it would be more economical, you might possibly lose in spirit what you would gain in money.

Capt. CRAVEN. Before any such measure is adopted, sir, I would earnestly urge upon you and other legislators that the proposition be very carefully investigated and very thoroughly studied. I think that when you make that study you will find that my statement is correct that the additional expense to the Government will be considerable, due to the establishment of a new branch of the service, all arguments to the contrary notwithstanding.

Mr. KELLEY. We are very much obliged to you, Captain.

FRIDAY, JANUARY 21, 1921.

MARINE CORPS.

STATEMENTS OF MAJ. GEN. JOHN A. LEJEUNE, COMMANDANT MARINE CORPS; BRIG. GEN. CHARLES L. M'CAWLEY, QUARTERMASTER, MARINE CORPS; AND BRIG. GEN. GEORGE RICHARDS, PAYMASTER, MARINE CORPS.

GENERAL STATEMENT—PERSONNEL—RECRUITING—STRENGTH OF ORGANIZATION.

Mr. KELLEY. We have with us this afternoon, Gen. Lejeune, Commandant of the Marine Corps. General, you have some preliminary statement you would like to make before we go into the specific items?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. Proceed.

Gen. LEJEUNE. Immediately after the 1st of July, when I became Commandant of the Marine Corps, the first thing I took up was the question of economy in expenditures. The first conference we had was a meeting to see how we could cut down the expenses for this year and come, if possible, within the appropriations made by Congress. I mention this as bearing on the future policy. Among other things, we cut the estimates for civil employees, or, rather, reduced the expenditures for this year at Quantico, Paris Island, and Philadelphia by 40 per cent below what they had been the preceding year and some 50 per cent below the estimates submitted by the officers. They all took it in good part, and they cut down their expenditures accordingly, and we hope to be able at the end of the year to show that they have not expended quite as much as we have allowed them. They are all working to carry out the economical policy which was then and is now necessary. I also published a Marine Corps order to the service on the subject of economy. I called it "Military efficiency." Do you want me to read it?

Mr. KELLEY. Yes.

Gen. LEJEUNE (reading):

MILITARY EFFICIENCY.

1. The efficiency of an industrial establishment is measured by the economy with which it is administered and by the quantity and quality of its production. Similar principles govern in the case of military organizations.

2. Economy of administration in a military organization involves, first, a judicious expenditure of the funds for its upkeep, and, second, the exercise of care in the preservation of Government property by all officers and men. In deciding questions connected with the expenditure of funds readiness for active service should be the paramount consideration. All else is secondary. Economy in the use of Government property demands not only the closest supervision on the part of responsible officers, but also the active cooperation of all officers and men. Carelessness and wastefulness must be checked and all persons held to a rigid accountability for the preservation of military material placed in their charge. In time of war, failure to conserve military material might well result in disaster.

3. In a military organization, the quantity of production is represented by success in recruiting, and by the percentage of the total force which is available for active service. The question of speed in recruiting requires no discussion—its importance is universally recognized. The kindred question of making available for strictly military purposes the largest practicable percentage of the total force is not such a

simple one, but it is, nevertheless, just as vital to efficiency. It means the reduction of overhead to actual requirements, and the relief from special duty of men unnecessarily detailed as clerks, orderlies, chauffeurs, messmen, carpenters, painters, etc. Active steps should be taken by all commanding officers and heads of staff departments to simplify and improve their organizations with a view to increasing the number of men available for the performance of military duties.

4. In a military organization quality of production is represented by the physical condition, discipline, morale, and the degree of military training and instruction of the officers and men. It depends upon the physique and character of the men appointed or enlisted and on the manner in which they are handled during their military service. How to bring the quality of the troops to a high degree of perfection is the greatest of the problems confronting us. Its solution demands the most painstaking study, the most careful consideration, and the most persistent and intelligent effort of which we are capable. Its correct solution, however, is vital to military efficiency.

5. It is expected that all officers will take the initiative in effecting changes within their jurisdiction which will tend to promote economy in administration, to increase the number of men available for military duty, and to improve the quality of the troops. The highest degree of military efficiency is our goal, and all of us should make every effort in our power to reach it.

I got that out in July to show the general policy that I expected everybody to follow. In addition to that letters have gone out to the commanding officers urging economy in expenditures in carrying out the policy laid down in that order. Circular letters have gone out on a number of occasions on this same subject, and at all our conferences held weekly at headquarters of the Marine Corps I have impressed on everybody the vital necessity of economizing in the use of public funds, getting back to the prewar basis, and getting rid of the extravagant ideas with which all of us became inoculated during the war.

As you remember, it was the expectation of Congress that we would keep the corps at the average strength of 20,000 for this year. On the 1st of July the strength was 16,000. Recruits were coming in slowly; we gained only 225 men during the month of July. It seemed then to be hopeless. Speed in recruiting was a very vital thing at that time. In the reorganization of the recruiting service we tried to spur the men to greater activity by holding them individually responsible for the results attained and if they did not come across they were sent back to the barracks and other men took their places.

In consequence of our efforts, recruiting began to increase after July, and later on in the winter the increase became so great owing to the unemployment problem that by the 1st of January I saw that we pretty nearly had enough men to give us an average of 20,000 and I cut out two-year enlistments and cut out the recruiting of men under 18 years of age, boys under 18 years of age, and raised the physical standard. Then I made a further change. Recruits were still coming in, so we raised the age to 21 years, to get men instead of boys. Then realizing that the stop had to come I cut out recruiting except reenlistments. I have closed two-thirds of the recruiting offices and ordered two-thirds of the men back to duty at the posts. That reduced expenditures, because when they are on recruiting duty they are on commutation allowances, which is a very expensive way to keep men.

Mr. KELLEY. You will be able now to keep to your average?

Gen. JEJEUNE. I think we will be able to keep this average up, keep up this number we have now by reenlistments because to September 30 discharges by reason of expiration of enlistments will be

less than 100 per month. There will be less than 600 men going out by expiration of enlistments before June 30 next.

Mr. KELLEY. Have you data to show how many men go out month by month?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. Suppose we run through that. What is your strength to-day?

Gen. LEJEUNE. Twenty-two thousand one hundred and fifteen.

EXPIRATION OF ENLISTMENT.

Mr. KELLEY. How many men will go out in January by expiration of enlistments?

Gen. LEJEUNE. Most of them have gone. There are still to go 127.

Mr. KELLEY. These 22,115 men are of what date?

Gen. LEJEUNE. That is up to this morning, January 21. Two-thirds of that 383 have gone. We have one-third, 127, still to go.

Mr. KELLEY. You would lose 127 in the four months?

Gen. LEJEUNE. In February 107 go out by expiration; in March, 99; in April, 111; in May, 83; in June, 57.

The falling off is due to the fact that during the war Congress authorized or directed that all men already enlisted after the rupture of diplomatic relations with Germany, which was February 5, 1917, should be put in the same status as the men that enlisted after the war begun. These were duration-of-war men. The consequence is that the bulk of these men have been discharged and the ones remaining are those who have extended their enlistments for one or more years.

Mr. KELLEY. That makes 584 men to go out between now and the end of the fiscal year?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. That is 21,531. How many to come back?

Gen. LEJEUNE. We will get back many more than that. But there will be men discharged by the medical survey.

Mr. KELLEY. Of those that go out, how many of them will come back? What is your reenlistment?

Gen. LEJEUNE. We reenlisted in December 415 men. That included a number of men that had been out for some time. We re-enlist about 50 per cent of the men that go out.

Mr. KELLEY. In the Navy they were getting back 60 per cent; will you get back as many as that?

Gen. LEJEUNE. Like everything else, when times are hard, we have a great increase of reenlistments, and besides there will be quite a number of men who will extend their enlistments.

Mr. KELLEY. That will be about 350 who will come back?

Gen. LEJEUNE. Yes, sir, and in addition the men who have been discharged in the last three months must be considered. The men who enlist within three months after their discharges we regard as continuous-service men.

Mr. KELLEY. How many do you think you will get back all told from other sources than those that go out?

Gen. LEJEUNE. Our figure on the 30th of June will be pretty close to 22,000 men, practically no change in our strength.

Mr. KELLEY. That is, you will get back in the neighborhood of 900 men from other enlistments?

Gen. LEJEUNE. Yes, we do not like to refuse an ex-marine that comes to us to re-enlist. We feel like he has a claim on us.

Mr. KELLEY. You think you will have 22,000 men on the 1st of July?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. Let us start with the 1st of July and see where you will run next year.

Gen. LEJEUNE. I have not the figures for the whole year—

Mr. KELLEY (interposing). How many expired?

Gen. LEJEUNE. In July, 45.

Mr. KELLEY. Is that all for next July?

Gen. LEJEUNE. Yes. In August about the same number; in September, between 45 and 100. But beginning with October the discharges became larger, because we began in October, 1919, to enlist men for two years.

Mr. KELLEY. Have you those figures there?

Gen. LEJEUNE. I have not. I can get them for you. I did not work it out for all of next year. I have the number of enlistments pretty well back, beginning with November, 1919. Suppose I hand these over to you.

Mr. KELLEY. Yes.

(The statement referred to is as follows:)

Progress of Marine Corps recruiting, 1919-20.

Month ending—	Enlisted.	Strength.	Net gain.	Net loss.	Reserve.	Active re-serve.
Nov. 30, 1919.....	1,319	17,027	.....	2,832	5,835	252
Dec. 31, 1919.....	1,209	15,761	.....	1,266	5,679	122
Jan. 31, 1920.....	1,073	15,618	.....	143	5,632	98
Feb. 28, 1920.....	769	15,418	.....	200	5,503	72
Mar. 31, 1920.....	801	15,249	.....	169	5,444	48
Apr. 30, 1920.....	739	15,350	101	.....	5,116	45
May 31, 1920.....	893	15,702	352	.....	4,759	36
June 30, 1920.....	972	16,061	359	.....	4,736	24
July 31, 1920.....	826	16,289	228	.....	4,711	16
Aug. 31, 1920.....	1,162	16,769	480	.....	4,686	11
Sept. 30, 1920.....	1,468	17,559	790	.....	4,672	11
Oct. 31, 1920.....	1,502	18,454	805	.....	4,666	11
Nov. 30, 1920.....	1,760	19,708	1,254	.....	4,657	12
Dec. 31, 1920.....	2,561	21,611	1,903	.....	4,656	12

Strength, Jan. 17, 1921, 22,128; net gain since Jan. 1, 517.

Gen. LEJEUNE. This is the table of men enlisted, but a considerable percentage of them have gone out already.

Mr. KELLEY. This does not give it by months.

Gen. LEJEUNE. Yes; November 30, 1919, 1,319. That is the number of enlistments for that month.

Mr. KELLEY. Are those two-year enlistments?

Gen. LEJEUNE. Practically all two-year enlistments.

Mr. KELLEY. So they will begin to expire in November, 1921?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. How many did you enlist in October?

Gen. LEJEUNE. A small number, well under a thousand.

Mr. KELLEY. You will lose a lot of men next year.

Gen. LEJEUNE. Yes; we will have to do considerable recruiting to keep the strength of the corps at whatever figure is determined upon by Congress.

Mr. KELLEY. Can we figure about where you would land by July, 1922, if you did not recruit any?

Gen. LEJEUNE. If we did not do any recruiting at all?

Mr. KELLEY. Yes. I am not saying now that we are going to do that; but figure out where you would be, except reinlistments; figure new recruits. Suppose you take October. How many men's enlistments will expire in October?

Gen. LEJEUNE. Roughly, 700.

Mr. KELLEY. Then, you could put the exact figures in the record. How many would expire in November?

Gen. LEJEUNE. A certain percentage of the men enlisted in that month have already gone out through one cause or another—desertions, medical survey, and discharge for various reasons.

Mr. KELLEY. You took in 1,319 two years ago in that month. How many of those will be ready to go out?

Gen. LEJEUNE. I could get the figures accurately from our records.

Mr. KELLEY. Just have a little calculation this afternoon, and you can fix the record afterwards.

Gen. LEJEUNE. There were 7,775 enlisted last year.

Mr. KELLEY. What do you mean by last year?

Gen. LEJEUNE. I should have said they enlisted from the 1st of November, 1919, until the 30th of June, 1920.

Gen. RICHARDS. I have an estimate here showing the number of discharges to be expected between July 1 next and the year following.

Mr. KELLEY. That is what I want.

Gen. RICHARDS. This shows an estimate in connection with the travel allowances to be paid on discharge. It includes all men expected to be discharged by reason of the expiration of enlistments or upon report of medical survey or under other honorable conditions where under the law they are entitled to travel allowance.

Mr. KELLEY. That is the number I want, the number that will go out for all reasons.

Gen. LEJEUNE. There should be approximately 7,000.

Mr. BYRNES. From what date?

Gen. LEJEUNE. From July 1 of this year.

Mr. KELLEY. From July 1, 1921, to July 1, 1922.

Gen. RICHARDS. We have estimated that under ordinary conditions there will be so discharged 9,905 enlisted men; but if different conditions obtain, these discharges may be reduced to Gen. Lejeune's estimate, viz., 7,000 men; that is to say, the smaller the total number the smaller the outgo.

Mr. KELLEY. So, if none of those came back and you did not re-enlist any more, your forces would be reduced during this 12 months by 7,000?

Gen. RICHARDS. Yes, sir. As stated, we included \$445,725 as travel allowance for 9,905 discharged men. For 7,000 discharged men but \$315,000 would be needed. So, you may cut off from this item the sum of \$130,725, making the total \$11,550,300.76 for 20,000 men instead of \$11,681,025.76, as shown in my table previously filed.

Mr. KELLEY. Those who will be discharged honorably and for other reasons, by expiration of enlistment, will be greatly reduced?

Gen. RICHARDS. The estimate framed last September is not based on that condition.

Mr. KELLEY. Taking that into account, you see where we will land. There are 22,000 men. Suppose we take 7,000. That would leave you 15,000. Suppose, in order to balance that up, you will assume that we got back 60 per cent of all these for different reasons. That would probably make it about right.

Gen. LEJEUNE. It is about 60 per cent of all those.

Mr. KELLEY. It probably would not be far wrong.

Gen. RICHARDS. Of course, those estimates contain the number we would expect to be discharged under the conditions contemplated at that time—they were written last September.

Mr. KELLEY. Some of those would not want to come back. That would be 4,200.

Gen. LEJEUNE. The biggest reenlistment was in last December, when we got 415 ex-marines. So, if you get 4,000 back, you will be lucky.

Mr. KELLEY. But not so many would go out.

Gen. LEJEUNE. No.

Mr. KELLEY. I think it might possibly work out.

Gen. LEJEUNE. Yes.

Mr. KELLEY. On that basis you would have at the end of the year about 18,000, would you not?

Gen. LEJEUNE. Without any first enlistments. The greatest month we ever had in reenlistments was last December.

Mr. KELLEY. Suppose you take the Marine Corps on the 1st of July, 22,000 men, under the present practice not to recruit any new ones.

Gen. RICHARDS. Yes.

Mr. KELLEY. Take out the men and assume that you will not begin recruiting beyond the 1st of July, and it would run on just as you will from now until the 1st of July. Then take out such of the balance of the 22,000 men as would be discharged for one reason or another other than expiration of enlistments.

Gen. RICHARDS. During the next 12 months.

Mr. KELLEY. Take that out.

Gen. RICHARDS. Expirations of enlistments.

Mr. KELLEY. Then take out the expiration of enlistments.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. And bring back those who would reenlist and we would work that out with considerable accuracy.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. To see just where you would stand at the end of the next year and what your average strength would be for the year, I do not know; I am not saying that there is any disposition to do that but I would like that information.

Gen. LEJEUNE. All right. I have a little statement here about the personnel.

NAVAL APPROPRIATION BILL, 1922.

Losses, January to June, 1921.

Month.	Expiration enlist- ment.	Dishon- orable dis- charge.	Sum- mary court- martial.	Medical survey.	Special order.	De- serted.	Died.	Retired.	Undesir- able.	Total.
January...	374	20	36	60	40	111	6	3	50	700
February .	104	20	30	45	35	88	5	2	45	374
March....	98	15	24	35	30	81	5	2	35	325
April....	104	12	18	25	25	74	5	2	30	295
May.....	83	12	18	20	20	67	5	2	25	252
June.....	57	12	18	20	15	61	5	2	20	210
Total...	820	91	144	205	165	482	31	13	205	2,156

Total loss to June 30, 1921..... 2,156
 Total gain to June 30, 1921..... 1,276

Net loss to June 30, 1921..... 880
 Strength, Jan. 21, 1921..... 22,104
 Estimated strength, June 30, 1921..... 21,224
 Reenlistments from Marine Corps during calendar year 1920..... 2,835
 Average reenlistments per month..... 239

Losses, fiscal year 1922.

Montha.	Expiration enlist- ment.	Dishon- orable dis- charge.	Sum- mary court- martial.	Medical survey.	Special order.	De- serted.	Died.	Retired.	Unde- sirable.	Total.
July.....	40	12	17	20	15	60	5	2	20	191
August....	49	12	17	20	15	65	5	2	19	204
September.	160	11	17	19	14	60	5	2	19	207
October...	660	11	16	19	14	55	5	2	18	500
November.	707	11	16	18	13	50	5	2	18	840
December.	733	10	15	18	13	45	5	2	17	558
January....	751	10	15	17	12	40	5	2	17	569
February.	553	9	14	17	12	40	5	2	16	668
March....	522	9	14	16	11	40	5	2	16	635
April....	393	9	14	16	11	45	5	2	15	510
May.....	548	8	13	15	10	45	5	2	15	661
June.....	523	8	13	15	10	45	5	2	14	635
Total.	5,639	120	181	210	150	590	60	24	204	7,178

Total loss, fiscal year 1922..... 7,178
 Total gain, fiscal year 1922..... 2,968

Net loss, fiscal year 1922..... 4,310

NOTE.—The gradually reducing number of desertions are due to the increasing proportion of men of considerable service in the Marine Corps, due to the cessation of original enlistments. The figures for the months of June and July would be reduced more were it not for the predicted seasonal increase of desertions in the summer months.

Estimated strength United States Marine Corps, fiscal year, 1922.

Month.	Total loss.	Total gain.	Net loss.	Net gain.	Strength.
July.....	191	239	48	22,04*	
August....	204	239	35	22,08*	
September.	307	239	68	22,013	
October...	800	239	561	21,454	
November.	840	239	601	20,853	
December.	858	239	619	20,234	
January....	869	239	630	19,604	
February.	668	239	429	19,175	
March....	635	239	396	18,779	
April....	510	239	271	18,508	
May.....	661	239	422	18,086	
June.....	635	239	396	17,690	
Total.....	7,178	2,968	4,310		17,690

Mr. BYRNES. That is estimated on the assumption that you will drop enlistments entirely?

Mr. KELLEY. No, sir; no enlistments at all, but merely the reenlistments that they are obliged to take from those that reenlist if they are all right.

Gen. LEJEUNE. Yes; it is almost a moral obligation with the men who served during one enlistment.

Mr. KELLEY. It would not probably be good for the corps to refuse to enlist a man for a second time if he had made good during his first enlistment.

Gen. LEJEUNE. Some of these men have been in 25 years.

Mr. BYRNES. Some would be absolutely unfit for anything else.

Mr. KELLEY. It would take away the incentive to make it a permanent business.

Gen. McCAWLEY. The other men would want to get out if they found that would be the policy.

Mr. KELLEY. On the other hand, the mere dropping off of new recruits would not affect the morale.

Gen. LEJEUNE. It would affect the morale in this way: We have certain work to do, and if 10 men have to do 20 men's work, it affects the morale.

Mr. KELLEY. That is true; but I mean the mere fact that you should use no recruiting officers, recruiting only those that are offering themselves for reenlistment until further orders would not make any difference with your enlisted personnel as far as morale is concerned.

Gen. LEJEUNE. Only in case of reduction of strength. If the number of men is being constantly reduced and the work is constantly being harder for them, then it would make a difference in the morale.

Mr. KELLEY. That means unusual burdens in the way of employment.

Gen. LEJEUNE. Yes. I have a little statement here showing the necessity for personnel authorized by Congress.

Mr. KELLEY. The law authorizes you to enlist a force of 27,400, as I recollect it.

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. If you had 27,400 men in the Marine Corps, what would you do with them?

Gen. LEJEUNE. I have it here in a statement.

The estimates submitted by me to the Secretary of the Navy for the next fiscal year were based on the full strength of 27,400 men as fixed by Congress. I will say that these estimates were considerably cut by the Secretary, so as they come to the committee they do not represent the actual cost or what the actual cost would be if Congress appropriated enough money for 27,400 men. For instance, provisions were cut. While that is partly an estimate it is largely a mathematical calculation.

Mr. KELLEY. Of course you can cut provisions on general principles.

Gen. LEJEUNE. On general principles?

Mr. KELLEY. Nearly all food will go down within the next year.

Gen. LEJEUNE. We hope it will go down.

Mr. KELLEY. It is going down. It has gone down on many things. Gen. McCAWLEY. Very materially.

Mr. KELLEY. So an estimate for food would have to note that to have value.

Gen. LEJEUNE. Absolutely. There are at present 22,115 enlisted men in the Marine Corps. Owing to the shortage of appropriations this number will not be greatly exceeded in all probability during the remainder of the fiscal year.

Mr. KELLEY. You ought to cut out the words "in all probability."

Gen. LEJEUNE. I qualify it later by saying, unless some grave emergency arises which might cause the President to direct the Corps to be recruited to full strength.

Mr. KELLEY. You are safe on that.

Gen. LEJEUNE. In all probability the corps will enter the new fiscal year with approximately 22,000 men. It will not be practicable to effect a reduction below these figures, as during the remainder of the fiscal year there will be only about 500 discharges by reason of expiration of enlistments. This small number is due to the fact that all men who enlisted between February 5, 1917, and November 11, 1918, were by act of Congress duration of war men who have already been discharged except those who elected to extend their enlistments. In December last, 415 ex-marines reenlisted, and while this number was larger than the normal, yet it is altogether likely that the number of men reenlisting will about equal the losses for all causes during the ensuing five months. Next year there will be a large number of discharges as the enlistment of men for a period of two years was begun in September, 1919, necessitating in order to keep up the strength of the corps to the number you fix an active campaign to make good the losses thereafter.

In this connection, I deem it pertinent to state that on July 1 last, the day I assumed the office of Commandant, the strength of the Corps was 16,100 men, and recruiting was progressing very slowly, approximately 826 men being enlisted in July, with a net gain of 228. It seemed to be an almost impossible task to comply with the expressed mandate of the naval committee and Congress to bring the Corps to an average strength of 20,000 men for the fiscal year. An active campaign was at once begun, including the reorganization of the recruiting service. Every man on recruiting duty was held individually responsible for results, and those who failed to obtain the required results were relieved from recruiting duty and their places filled by new men. The result was an immediate improvement, 1,162 men being recruited in August, 1,468 in September, 1,612 in October, and 1,760 in November, and 2,561 in December.

Then the recruiting campaign was cut down, as previously stated. The recruiting service has been greatly reduced. Five hundred men have been relieved from recruiting duty and 105 offices closed.

So much for the past. Now, as to the needs of the future, the duties that the Marine Corps are required to perform require not less than 27,400 men.

Mr. KELLEY. Of course, that is not really an exact science. We will take that up in detail.

Gen. LEJEUNE. Shortly after July 1, I took up the question of fixing the number of men to be allotted to the guards for navy yards, naval magazines, and other places, also the question of reducing the number engaged in what might be termed overhead work.

An officer of experience visited nearly all stations on the east coast and went into the question thoroughly, and afterwards a board of officers, of which the above officer was senior member, was convened for the purpose of preparing a table of complements for all Marine Corps posts and detachments. This board first submitted a report covering the needs of the stations as stated by the naval commandants and commanding officers. This table required over 33,000 marines. I directed the board to cut down these estimates and to bring the complements well within the 27,400 men. The complements should actually amount to not much more than 25,500 men in order to allow about 8 per cent for men in transit to and from foreign stations, sick in hospital; men confined awaiting action of general courts martial and reenlisted men on furloughs granted immediately upon reenlistment.

The board made a drastic cut in complements, but its report only allowed 500 surplus for the above-mentioned purposes instead of nearly 2,000. They cut down to what they thought was a minimum, but when the thing was finished instead of having 2,000 surplus for these various purposes they only had 500.

MARINES ON SHIPS.

Mr. KELLEY. Will they base that on the 143,000 men that we had in the Navy and the number of marines that you have on ships?

Gen. LEJEUNE. Then number of marines on ships and the number of guards for all these various places.

Mr. KELLEY. That is the number of marines on ships which could be kept in commission with the 143,000 men?

Gen. LEJEUNE. The actual number of marines now at sea. They did not allow for the new ships.

Mr. KELLEY. I did not mean new ships. The Navy asked for 143,000 men for this coming year?

Gen. LEJEUNE. Yes.

Mr. KELLEY. And with that number of men certain ships could be kept in commission?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. In figuring the number of marines necessary they took into account the ships they expected to keep in commission with the 143,000 men, did they not?

Gen. LEJEUNE. The figures in these tables are the men now at sea, about 1,822. They are now on the ships. There may be some slight reduction in that number on account of naval vessels being laid up due to a reduction on naval personnel, but not a great reduction, as there are no marines assigned to auxiliary vessels and the smaller vessels, and these are the ones which are likely to go in reserve or out of commission.

Your attention, too, is invited to the fact that of 27,400 men, ordinarily, there will be between 2,500 and 3,000 recruits receiving training at training depots, and that approximately 2,000 men are required for the recruiting service and for the recruit depots. Those men are not available. Our two recruiting depots require a lot of men to train other men. The above figures show that there would be but a little over 20,000 men for active service out of a total of 27,400 men, especially as in order not to exceed the authorized strength, it is always necessary to allow a factor of safety.

Mr. KELLEY. Just a moment right there. You will have 22,000 men on the first of July already trained.

Gen. LEJEUNE. Then they should all be trained.

Mr. KELLEY. By the first of July the 22,000 men that you have will be all trained?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. What will you do with those extra 2,000?

Gen. LEJEUNE. You mean 2,000 recruits. There are usually about 3,000 recruits under training.

Mr. KELLEY. There would be not under training 22,000 men but trained and ready for business, you need only 20,000 men?

Gen. LEJEUNE. You misunderstand me. Ordinarily there are about 3,000 recruits in training which would bring the strength down to about 24,400. From 1,500 to 2,000 are in transit to and from foreign stations, sick in hospitals and absent on furlough when they first reenlist; absent without leave or as stragglers. The above men amount to 8 per cent of the total.

Mr. KELLEY. Out of the 22,000 on the first of July there will be some 4,000 or 5,000 not available?

Gen. LEJEUNE. There will be about 1,500 from those causes I have just enumerated, between 1,500 to 2,000.

Mr. KELLEY. So you will not be very much short next July?

Gen. LEJEUNE. Technically if we could keep our corps without any recruits we could get along with about 3,000 men less than when we have recruits under training. We have 2,500 to 3,000 men—recruits—in training. If we had all reenlisted men we would not have any recruits under training, but we can not do that, as the reenlistments would gradually peter out.

Then we have to be careful not to exceed, the authorized strength, it is always necessary to allow a factor of safety. In other words, if we are allowed 27,400 men we can not recruit that many because we are afraid to run over that and get into trouble with the Treasury Department. The pay would be affected.

Mr. KELLEY. I am glad you feel that way about it.

Gen. LEJEUNE. Examination of the complement tables that I have here will show that there has been a cut everywhere since the first of July.

This table contains the authorized complements for July 1, 1920, minus the expeditionary and advanced base forces that we have to keep in readiness. In this second table column A the first that was presented by the board and column B contains the complements approved by the Secretary of the Navy.

(The statements referred to are as follows:)

*Authorized complements of posts, organizations, etc., United States Marine Corps,
July 1, 1920.*

Shore stations in the United States:

Boston, Mass., Navy Yard.....	150
Hingham, Mass.—	
Ammunition depot.....	70
Receiving station.....	25
Chelsea, Mass., naval hospital.....	28
New London, Conn.....	100
Portsmouth, N. H.....	375
Otter Cliffs, Me., cable station.....	16
Newport, R. I.....	150

Shore stations in the United States—Continued.

New York, N. Y.—		
Navy yard, barracks detachment, 1 guard company.....	250	
Prison detachment.....	35	
Fleet supply base.....	100	
Naval hospital.....	25	
Sayville, Long Island, N. Y., radio station.....	25	
Iona Island, N. Y., naval ammunition depot.....	70	
Fort Lafayette, N. Y., naval ammunition depot.....	12	
Dover, N. J., naval ammunition depot.....	120	
Philadelphia, Pa.—		
Navy yard, barracks detachment.....	400	}
Guard Company No. 1.....	125	
Guard Company No. 2.....	125	
Receiving ship.....	70	
Fort Mifflin, Pa., naval ammunition depot.....	70	
Washington, D. C.—		
Marine band.....	60	
Barracks detachment.....	150	
Navy yard.....	150	
Naval hospital.....	25	
Navy department guard.....	20	
Radio, Va. (Arlington) radio station.....	25	
Annapolis, Md.....	106	
Indianhead, Md., naval proving ground.....	150	
Quantico, Va., post detachments.....	742	
Norfolk, Va.—		
Barracks detachment and guard companies.....	200	
Naval hospital.....	25	
Hampton Roads, Va., naval operating base, marine detachment	175	
St. Juliens Creek, Va., naval ammunition depot.....	100	
Yorktown, Va., naval mine depot.....	50	
Alexandria, Va., naval torpedo station.....	12	
South Charleston, W. Va., ordnance plant.....	38	
Charleston, S. C., Navy Yard.....	150	
Paris Island, S. C.—		
Sea-going depot ¹ (staff).....	41	
Under instruction, sea-going depot ¹	200	
Headquarters detachment, main station.....	162	
Supply Company.....	415	
School detachment and band.....	46	
Mess detachment, main station.....	58	
Mess detachment, training camp.....	106	
Headquarters detachment, training camp.....	45	
Drill instructors.....	275	
Field music detachment.....	24	
Rifle range detachment.....	89	
Receiving barracks detachment.....	35	
Naval prison.....	88	
(Total for all activities at Paris Island, except aviation, 1,584.)	100	
New Orleans, La., marine barracks.....	100	
Pensacola, Fla.—		
Marine barracks.....	100	
Antiaircraft.....	15	
Point Isabel, Tex., radio station.....	25	
Key West, Fla.....	100	
Puget Sound, Wash.—		
Barracks detachment.....	200	
Navy yard ammunition depot.....	50	
Keyport, Wash., naval ammunition depot.....	50	
Mare Island, Calif.—		
Barracks detachment.....	325	}
Band.....	25	
Guard companies.....		
Rifle range detachment.....		

¹ The sea-going depot was transferred from Paris Island, S. C., to Norfolk, Va., on Jan. 15, 1921.

Shore stations in the United States—Continued.

Mare Island, Calif.—Continued.	
Ammunition depot.....	50
Naval prison detachment.....	81
Recruit depot detachment.....	110
(Total for all activities at Mare Island, 591.)	
San Diego, Calif.—	
Barracks detachment.....	189
North Island naval air station.....	50
La Playa, Calif., fuel plant.....	25
Chollas Heights, Calif., radio station.....	25
San Pedro, Calif., U. S. S. Alert.....	25
Fort Lyon, Colo., naval hospital.....	25
Total.....	7,453
Expeditionary and sea duty: Sea-going detachments.....	1,728
Marine aviation:	
Haiti (one aviation squadron).....	175
Santo Domingo (one aviation squadron).....	145
Reed, Va. (Quantico aviation detachment).....	300
Paris Island, S. C., aviation detachment.....	200
Total.....	820
Oversea stations:	
Haiti (First Brigade and gendarmerie, exclusive of aviation).....	1,625
Santo Domingo (Second Brigade and Guardia Nacional, exclusive of aviation).....	2,355
Pearl Harbor, T. H.....	375
Philippines.....	340
Nicaragua.....	107
Guam.....	375
Guantanamo, Cuba.....	320
Camaguey, Cuba.....	275
Porto Rico.....	29
Virgin Islands.....	225
Peking, China.....	287
Russian Island.....	35
Samoa.....	1
Total.....	6,349
Staff offices and recruiting:	
Headquarters, Washington, D. C.....	369
Assistant paymaster, Philadelphia, Pa.....	10
Assistant paymaster, Atlanta, Ga.....	21
Depot of supplies, Philadelphia, Pa.....	97
Depot of supplies, Hampton Roads, Va.....	75
Headquarters, Department of Pacific, San Francisco, Calif.....	
Assistant paymaster, San Francisco, Calif.....	57
Depot of supplies, San Francisco, Calif.....	
Recruiting service.....	541
Total.....	1,170
Noneffectives:	
Recruits in training, Paris Island, S. C.....	2,113
Recruits in training, Mare Island, Calif.....	300
Apprentices, field music's school.....	175
Total.....	2,588
Grand total of authorized complements, July 1, 1920.....	20,108

NOTE.—(a) It will be noted that the table given on these pages does not include any complements for the east and west coast advanced base forces at Quantico, Va., and San Diego, Calif., respectively. The minimum number of men required for these forces is: East coast, 6,101, and west coast, 1,722. (b) This table also makes no allowance for men to replace those who are temporarily noneffective, such as men sick in hospitals, men in confinement awaiting trial or sentence, men en route from one

post to another, and men granted furlough upon reenlistment. To cover these items, about 10 per cent of the authorized strength of the corps would be required, or about 2,700 men. (c) The total authorized complement for aviation in the Marine Corps on July 1, 1920, was 1,020 men. Owing to the shortage of men, this number was not available, and therefore only the aviation complement shown on page 2 of this table, totaling 820 men, were assigned.

Table of complements, United States Marine Corps.

[NOTE.—Column A shows complements recommended by commandants of navy yards, etc., and by commanding officers of Marines. Column B shows complements approved by the Secretary of the Navy.]

	A.	B.
Navy yard guards, posts, barracks, and detachments:		
Boston, Mass., navy yard.....	160	125
Hingham, Mass.—		
Ammunition depot.....	70	50
Receiving station.....	50	50
Chelsea, Mass., naval hospital.....	22	20
New London, Conn.....	75	50
Portsmouth, N. H.....	180	160
Otter Cliffs, Me., cable station.....	16	16
Newport, R. I.....	175	125
New York, N. Y.—		
Navy yard, barracks detachment, 1 guard company.....	300	225
Prison detachment.....	35	25
Fleet supply base.....	100	70
Naval hospital.....	22	20
Sayville, Long Island, N. Y., radio station.....	25	12
Iona Island, N. Y., naval ammunition depot.....	70	50
Fort Lafayette, N. Y., naval ammunition depot.....	12	12
Rockaway Beach, N. Y., naval air station.....	25	25
Dover, N. J., naval ammunition depot.....	125	65
Philadelphia, Pa.—		
Navy yard, barracks detachment.....	475	102
Guard company No. 1.....		100
Guard company No. 2.....		100
Receiving ship.....	125	5
Fort Mifflin, Pa., naval ammunition depot.....	70	50
Washington, D. C.—		
Marine Barracks—		
Marine Corps Institute.....	178	178
Marine Band.....	67	67
Barracks detachment.....	60	50
Navy Yard.....	150	125
Naval hospital.....	25	20
Navy Department guard.....	19	19
Radio, Va. (Arlington) radio station.....	25	12
Annapolis, Md.....	108	80
Indian Head, Md., naval proving ground.....	180	75
Quantico, Va., post detachments.....	450	450
Norfolk, Va.—		
Barracks, detachment and guard companies.....	250	185
Seagoing depot (staff).....		15
Under instruction, seagoing depot.....	200	100
Naval hospital.....	25	20
Hampton Roads, Va., naval operating base, marine detachment.....	175	125
St. Julian's Creek, Va., naval ammunition depot.....	100	50
Yorktown, Va., naval mine depot.....	50	38
Alexandria, Va., naval torpedo station.....	12	12
South Charleston, W. Va., ordnance plant.....	39	36
Charleston (S. C.) Navy Yard.....	175	150
Parris Island, S. C.—		
Headquarters detachment.....	(1)	100
Supply company.....	(1)	225
School detachment and band.....	(1)	60
Mess detachment, main station.....	(1)	50
Mess detachment, training camp.....	(1)	45
Headquarters detachment, training camp.....	(1)	30
Drill Instructors.....	(1)	225
Field music detachment.....	(1)	20
Rifle range detachment.....	(1)	75
Receiving barracks detachment.....	(1)	35
Naval prison.....	(1)	60
(Total for all activities at Parris Island, except aviation, based on complement recommended by post commander).....	1,381	100
New Orleans, La., marine barracks.....	150	100
Pensacola, Fla.—		
Marine barracks.....	108	70
Antiaircraft.....	25	15
Point Isabel, Tex., radio station.....	25	25
Key West, Fla.....	103	75

* Complements for these items are included in the total under column A for Parris Island, S. C.

Table of complements, United States Marine Corps—Continued.

	A.	B.
Navy yard guards, post, barracks, and detachments—Continued.		
Fuget Sound, Wash.—		
Barracks detachment.....	200	190
Navy yard ammunition depot.....	50	36
Keyport, Wash., naval ammunition depot.....	50	25
Mare Island, Calif.—		
Barracks detachment.....	180	100
Band.....	28	28
Guard companies.....	370	176
Rifle range detachment.....	25	25
Ammunition depot.....	50	36
Naval prison detachment.....	81	80
Recruit depot detachment.....	125	100
Seagoing depot, under instruction.....	200	100
San Diego, Calif.—		
Barracks detachment.....	189	100
North Island, naval air station.....	50	50
La Playa, Calif., fuel plant.....	25	20
Chollas Heights, Calif., radio station.....	25	20
San Pedro, Calif., U. S. S. Alert.....	30	30
Fort Lyon, Colo., naval hospital.....	25	25
Total.....	7,861	5,650
Expeditionary and sea duty:		
San Diego expeditionary force.....	1,722	1,722
Third Brigade (Quantico).....	1,768	1,762
Fourth Brigade (Quantico).....	3,575	3,575
Engineering training units (Quantico).....	257	257
Signal training units (Quantico).....	257	257
37-millimeter gun training units (Quantico).....	125	125
Stokes mortar training unit (Quantico).....	125	125
Seagoing detachments.....	3,044	1,922
Total.....	10,963	9,645
Marine aviation:		
Haiti (one aviation squadron).....		157
Santo Domingo (one aviation squadron).....		157
Guam (one aviation flight).....		90
Reed, Va. (Quantico aviation detachment).....	957	314
Parris Island, S. C., aviation detachment.....		50
Great Lakes, Ill., Naval Training Station, marine aviation detachment.....		189
Total.....	957	957
Oversea stations:		
Haiti (First Brigade and Gendarmerie, exclusive of aviation).....	1,900	1,036
Santo Domingo (Second Brigade and Guardia Nacional, exclusive of aviation).....	2,500	2,291
Pearl Harbor, Hawaii.....	375	375
Philippines.....	340	287
Nicaragua.....	107	107
Guam.....	500	500
Guanatambo, Cuba.....	220	175
Camaguey, Cuba.....	275	275
Porto Rico.....	29	20
Virgin Islands.....	225	150
Pekin, China.....	325	325
Russian Island.....	35	35
Diplomatic couriers.....	10	10
Panama, submarine base at Coco Solo.....	50	50
Samos.....		1
Total.....	6,991	6,287
Staff offices and recruiting:		
Headquarters, Washington, D. C.	347	239
Assistant Paymaster, Philadelphia.....	10	11
Assistant Paymaster, Atlanta, Ga.....	15	10
Depot of Supplies, Philadelphia.....	97	90
Depot of Supplies, Hampton Roads, Va.....	75	52
Headquarters Department of Pacific, San Francisco, Calif.....	14	25
Assistant Paymaster, San Francisco, Cal.....	11	11
Depot of supplies, San Francisco, Cal.....	34	37
Recruiting service—		
Eastern Division (including publicity bureau).....		265
Southern Division.....		132
Central Division.....	845	239
Mountain Division.....		73
Western Division.....		116
Total.....	1,448	1,309

¹ Since the above table was prepared, the recruiting service has been reduced by 500 men, making the present authorized complement for that service 345 men.

Table of complements, United States Marine Corps—Continued.

	A.	B.
Noneffectives:		
Recruits in training, Parris Island, S. C.	2,500	2,500
Recruits in training, Mare Island, Calif.	500	500
Apprentices, Field Musicians School	150	150
Sick in hospitals	500	
G. C. M. offenders	200	
En route to and from foreign stations	800	
Pool (furlough, awaiting transportation, discharge, etc.)	500	
Total	5,150	3,552
Grand total.	33,270	27,400

Mr. KELLEY. What is Table A?

Gen. LEJEUNE. That is on this other sheet. On July 1, when I took charge of the corps, there was first recommended column A, but Column B was finally approved by the Secretary. This final approval involved a cut practically in every station where there were marines, and since it has gone out to the service we have not increased any of the complements.

These tables, accompanied by copies of a letter from the Navy Department showing the policy of the department regarding the distribution of the Marine Corps, have been sent to all posts and stations. The tables show that there has been a cut of several thousand men.

DETACHMENTS OF MEN AT NAVY YARD STATIONS, ETC.

Mr. KELLEY. Then, let us take this up by classes, starting with the navy-yard bases, barracks, detachments, and go into this a little and ask a few questions. Take this item of 450 men at Quantico.

Gen. LEJEUNE. This is the permanent detachment at Quantico and includes the rifle-range detachment which runs the rifle range for the marines, not only at Quantico, but other places on the east coast. It includes the supply company, which attends to the supply business at the post and does a large part of the upkeep and maintenance work. We are gradually eliminating civilian employees at Quantico and replacing them by enlisted men. It includes the men who do all the overhead work in connection with the commanding officer's office. It includes men who do the guard duties. We have a guard company there to protect public property and other detachments; for instance, the fire department.

Mr. KELLEY. Where does the number of students in training at Quantico come in here?

Gen. LEJEUNE. I am glad you brought that up. Since the committee was down there last spring our school has evolved. It is becoming a combination of schools. It has now a correspondence-school plant. The men who conduct the correspondence school are stationed at the Marine Barracks, Washington. We have put the staff of instructors and examiners who mark the papers and run the correspondence system there. There is also a large post school at Quantico.

Mr. KELLEY. You have under "Expeditionary and sea duty," Third Brigade, Quantico, 1,758 men; Fourth Brigade, Quantico, 3,575 men. Does that mean there are 5,513 men at Quantico?

Gen. LEJEUNE. Not there now.

Mr. KELLEY. That is what you plan with the full force of 27,000?

Gen. LEJEUNE. Yes, sir. The Third Brigade contains the technical companies of the advanced base force. They are men engaged in training as Engineer units, Signal Corps units, and units to handle portable searchlights, units to handle heavy and light artillery, and units to handle Stokes mortars and 37-millimeter guns. In other words, they are technical organizations. They constitute the technical part of an advance base force for service with the fleet in the event of war. The Fourth Brigade is an Infantry brigade, consisting of two Infantry regiments and a machine-gun battalion for immediate service in peace or war.

Mr. KELLEY. With these 27,400 you are going to keep at least 6,000 at Quantico?

Gen. LEJEUNE. Yes, sir; we must have organizations ready for any emergency that may arise.

Mr. KELLEY. How long do they stay? This is a reservoir out of which you draw for an emergency?

Gen. LEJEUNE. This is an emergency force.

Mr. KELLEY. They are not doing anything?

Gen. LEJEUNE. They are training all the time and going to school, as I explained to the Naval Committee last year.

Mr. KELLEY. They have no special advantage except to be ready for war?

Gen. LEJEUNE. Yes, sir; and ready for emergency in time of peace. We have these emergencies about once a year, and for a large part of each year during peace times. We have had an average of one expedition each year since the Spanish War. You remember marines were at Vera Cruz, in Nicaragua, and in Panama. So these forces, while they are now in training are always in readiness to carry out their real mission.

Mr. KELLEY. This is the flexible part of the scheme?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. Under "expeditionary and sea duty" there are 9,645 men set down as being the number intended to have ready?

Gen. LEJEUNE. That is all we could give for those purposes.

Mr. KELLEY. That does not include the men who are stationed at various places where you have got to keep marines permanently and all other things as a center somewhere? This is the reservoir out of which to meet any emergency that might arise?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. That is the place of your real strength which could not be changed without deranging your organization?

Gen. LEJEUNE. That is the heart of the Marine Corps; that is what makes the Marine Corps. If we cut that out you destroy its efficiency.

Mr. KELLEY. I do not mean to cut out, but whether you had 6,000, or 7,000, or 8,000, or 9,000 would not make any difference to your organization.

Gen. LEJEUNE. Yes, it would; because with any military organization the number of men that it can put into the field in an emergency measures its efficiency. If we have an organization of 20,000 men and

can only put 2,000 or 3,000 men in the field it would not be an efficient organization.

Mr. KELLEY. Of course the military organization is supposed to organize against a rainy day. That is why if you are never to have any trouble we would not want to bother with it at all?

Gen. LEJEUNE. Yes, sir

Mr. KELLEY. You are entirely right in saying we should be certain that in this organization there are enough for the purpose of keeping up this center which is the center of the corps, and yet the size of any particular military organization is a matter of elasticity. You can have 150,000 or 200,000 or 100,000 or 75,000, whatever different minds think the needs of the world and the country might require. Your situation is just the same?

Gen. LEJEUNE. No, sir; it is not the same.

Mr. KELLEY. We could contract this force right here or expand it without interfering with your organization. Suppose we left you with your full number of officers so that if you needed to swell the number you could go out and get men, keep your officers and organization intact. But why have every one filled up to the full extent?

Gen. LEJEUNE. Let me give you the rest of my statement.

Mr. KELLEY. If we cut this 10,000 down to 5,000, that means \$10,000,000.

Gen. LEJEUNE. No increases have thus far been allowed to the various stations. There is a tremendous pressure for increases. We could easily have distributed all of the 27,400 men at the navy yards, naval magazines, and on foreign stations.

Mr. KELLEY. I was thinking that the number at some of the other places was a little excessive.

Gen. LEJEUNE. We have cut every one of them down from what they were.

Mr. KELLEY. From what they were or what you would like?

Gen. LEJEUNE. From what they were. More are wanted and the pressure everywhere for more men is very strong.

Mr. KELLEY. Is it not because they want to hang on to their appropriations for other purposes and every marine they can get leaves them that much money for something else?

Gen. LEJEUNE. That is partly true. No increases have thus far been allowed. It is essential to keep constantly in mind the fact that the Marine Corps was created for active service with the fleet either in the event of war or in the event of an emergency in time of peace and that it is vital for a sufficient force trained to the minute to be held in readiness to move immediately after the receipt of orders. The fleet is the great defensive outpost of our country. It must never sleep. It must be ready at all times. The World War burst on England and France without notice. The readiness of the British fleet and the French army saved the world from being engulfed by the Teutonic hordes. If they had not been ready the imperial flag of Germany would in all probability be flying to-day over the greater part of the world.

It was our good fortune to be able to prepare ourselves for war behind the bulwark furnished by our allies. Over one year elapsed after we entered the war before our land forces were able to take any part of importance in it. It is hardly probable that we shall always be so fortunate as to have allies willing and able to protect us. Our

fleets, therefore, must be ready to form the protecting bulwark behind which our great armies can be organized and trained. I think that is sound. In a naval war, the Marine Corps will accompany and be a part of the fleet. It must be ready, therefore, to move with it. We can not stay behind like the Army and get ready for a great expedition. The Marine Corps can not be ready unless it have sufficient personnel. This is its vital need just as it is the vital need of the Navy.

In the last war when we entered it there was not any naval war except the antisubmarine war.

Mr. KELLEY. You were with the Army.

Gen. LEJEUNE. We were with the Army because we thought the country ought to use every man that had military knowledge and ability and training.

No appropriations have been made for a Marine Corps reserve. It is therefore a reserve in name only and will soon cease to exist.

Mr. KELLEY. How much of a reservoir have you at this very moment?

Gen. LEJEUNE. We have at Quantico one regiment of Infantry, one machine-gun battalion, and some small units partly filled.

Mr. KELLEY. How much altogether?

Gen. LEJEUNE. Counting in aviation units, about 2,500 men.

Mr. KELLEY. This reservoir that you have of 9,645 is what?

Gen. LEJEUNE. It is between about 2,500 to 3,000.

Mr. KELLEY. You are not asking to have that increased this coming year?

Gen. LEJEUNE. Yes; I am asking it.

Mr. KELLEY. You do not want 27,000 men next year.

Gen. LEJEUNE. Yes; we want them, but are going to take what you give us.

Mr. KELLEY. Like good soldiers.

Gen. LEJEUNE. But I want to impress on the committee as strongly as I can that 27,400 represents very closely the actual needs for the Marine Corps to carry out the work that has been assigned to it. Whatever military work ashore is required to be done by the Navy ought to be done by the Marine Corps because we are especially fitted to do it and are trained to serve with the fleet. It is our mission and not the mission of the Army.

Mr. KELLEY. The only thing I am directing your attention to particularly at this moment is the size of this reserve force which might be needed at any time.

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. That might not be needed at all. The fact that we have that army of 225,000 men will probably make a little difference about whether you wanted to keep a reserve force of one size or another in the Marine Corps.

Gen. LEJEUNE. It ought not to because our mission is not the mission of the Army.

Mr. KELLEY. If you had plenty of troops already trained in some other branch of the service, you would not need to carry as many in your branch of the service to meet a great emergency, because when that emergency came you would probably need more than you had, anyhow.

Gen. LEJEUNE. The Marine Corps is fitted to meet the naval part of the emergency; the Army is fitted to meet the Army part of it. The reason for the existence of the Marine Corps is to fill this particular need.

Mr. KELLEY. Suppose somebody would ask a member of the committee in the House this question: You are appropriating money for practically 10,000 men who are held in service for an emergency at Quantico and at San Diego, those two places where it will be located.

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. Why is it necessary to hold that many men during the year for emergencies? Is there anything on the horizon anywhere that indicated the necessity for that number?

Gen. LEJEUNE. I am not a prophet. When I was over in Germany we had in the area occupied by the Second Division the old castle of Ehrenbreitstein, a famous old German fortress, and on top of that on its highest tower we had the biggest American flag I ever saw in my life. We sent to France to get it. Every time I looked at it, I thought that there was not a human being on top of the earth five years before who would have predicted then that the American flag would be flying over Ehrenbreitstein in 1919. I do not think there was anybody in 1896 or 1897 who would have predicted that Admiral Dewey's fleet would pass into the bay of Manila and hoist the American flag over the Philippine Islands. You can not predict the future.

Mr. KELLEY. You are not arguing because you did put the American flag on that high place in Germany, a very unusual thing, that we ought to guard against as unusual a thing as that by having a force always ready to do it?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. Is that your idea?

Gen. LEJEUNE. I think you can never tell what is going to happen any more than England and France were able to tell in June, 1914, that millions of Germans were going to attack them. If the English nation had allowed its fleet to become scrapped and turned into junk, it is likely that the German flag would have flown over the tower of London in 1914. In other words, the safety of the Nation, it seems to me, is worth thinking about a great deal. The Marine Corps is only a small part of the national forces, only a small part of it, but I never will admit that it was not up to me to put as strongly as possible the importance of my little part being kept ready to meet any emergency which might come that would involve the safety of the Nation.

Mr. KELLEY. That is the part of a good officer, of course. We do not find any fault with your attitude, but we are looking at it from this side of the table and you are looking at it from that side of the table, both having in mind the same thing.

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. The only question is with the size of the Army that we have and the Navy that we are maintaining, whether it is necessary to keep as complete a reserve at Quantico as nine or ten thousand men, at Quantico and San Diego.

Gen. LEJEUNE. About 1,900 of that force are at sea. The remainder is less than the number that the experts of the Navy Department think we ought to have.

Mr. KELLEY. The point I am making is that if there is any lesser number than 27,400 it will come out in large part of this reserve force.

Gen. LEJEUNE. Part of it would have to come out of the reserve.

Mr. KELLEY. Assign to the various stations such men as you have as long as they last, keeping as large a reserve as you can, considering those important needs.

Gen. LEJEUNE. I would cut every station down as far as the department would let me cut them and try to maintain reserve as large as we could consistently do.

Mr. KELLEY. You have about 2,500 there now?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. That means you have about 20,000 elsewhere?

Gen. LEJEUNE. Well, you will remember always what I told you about the number of recruits under training and the number of men unavailable for active service.

Mr. KELLEY. You have about 20,000 elsewhere?

Gen. LEJEUNE. Say 19,000.

Mr. KELLEY. Let us see where they are. You have in the navy yards posts and barracks and various land stations, what?

Gen. LEJEUNE. Column B in that statement is the one showing present complements.

Mr. KELLEY. There are 5,650 men in that number. Which ones are at Parris Island?

Gen. LEJEUNE. Further on you will find non-effectives at the end of the table, and the figure there is for recruits in training at Parris Island, 2,500 men.

Mr. KELLEY. How many are there now?

Gen. LEJEUNE. Pretty close to that, about 2,000. In addition, we have a permanent establishment at Parris Island, which runs the whole plant.

Mr. KELLEY. What do you mean by that?

Gen. LEJEUNE. They run the power plant; have charge of training, etc.

Mr. KELLEY. Those who are assigned there permanently?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. How many of those?

Gen. LEJEUNE. There are 800 or 900 men there besides the recruits.

Mr. KELLEY. It seems like a large number, 800 or 900 men to look after a place for 2,500.

Gen. LEJEUNE. It is large, but you have to keep the place going. I have cut the number down by 300. It is a large number, and I wish it were smaller.

Mr. KELLEY. It takes one man for every two men in training.

Gen. LEJEUNE. The plant has to be run. That plant could take care of 6,000 or 7,000 men.

Mr. KELLEY. Over at Annapolis they have—

Gen. LEJEUNE (interposing). Here is the way these extra people are distributed: Supply company, 225 men to attend to everything in the way of clothing, food, and taking care of stores of every description and everything pertaining to supply work at Parris Island. Then, we have a school detachment there and a band, a mess detachment, with messmen, the men that feed the recruits. We do not make the recruits do that kind of work.

Mr. KELLEY. Those are civilians?

Gen. LEJEUNE. No, sir; enlisted men. There is the detachment at the training camp and the instructors. We have to have an instructor for every six or seven men. These men drill eight hours a day and are taught everything a recruit ought to know; how to scrub clothes, military and physical training, rifle and automatic practice on the rifle range, etc. The entire plant has to run full blast all the time.

Mr. KELLEY. Is that like the Army? Do they have to have as many people permanently stationed there to train boys?

Gen. LEJEUNE. At Army posts and other Marine Corps posts those men are represented by the noncommissioned officers and men belonging to the companies.

Mr. KELLEY. For 2,500 students at Annapolis they do not have as many positions as your employees—professors and all.

Gen. LEJEUNE. Of course they do not. You do not have officers or professors doing the work of laborers, cooks, messmen, drill masters, etc.

Mr. KELLEY. Counting all the professors and men on guard and janitors and cooks, mess attendants, and every other kind of employees, there are as many men as you have at Quantico.

Gen. LEJEUNE. I have cut the permanent establishment at Parris Island by 300 men, and I will further reduce it as opportunity offers.

Mr. KELLEY. Three hundred sounds more like it.

Gen. LEJEUNE. I cut it down by 300.

Mr. KELLEY. It was 1,200 before.

Gen. LEJEUNE. It was 1,200, and I have reduced it by 300.

Mr. KELLEY. You had charge of Quantico before you were commandant?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. How was it there when you had command? Were you able to reduce?

Gen. LEJEUNE. We had nothing but a shell.

Mr. KELLEY. You did not have many men in the organization.

Gen. LEJEUNE. We had the permanent force only at that time.

Mr. KELLEY. You have 9,645 in this reservoir?

Gen. LEJEUNE. That includes about 1,900 men serving at sea. Those men are at sea, so it is that much less; it is less than 8,000; about 7,800 at Quantico and San Diego.

Mr. KELLEY. How many at sea?

Gen. LEJEUNE. One thousand nine hundred.

Mr. BYRNES. That leaves 7,745.

Mr. KELLEY. That is 7,745 in the reservoir?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. And 2,500 at Quantico?

Gen. LEJEUNE. About 2,500 are at Quantico now, and about 500 at San Diego.

Mr. KELLEY. And 2,500 are at Parris Island?

Gen. LEJEUNE. Two thousand recruits are at Parris Island.

Mr. KELLEY. And about 900 men at Parris Island?

Gen. LEJEUNE. Yes, sir; the permanent detachment which includes the force which has charge of the naval prison there.

Mr. KELLEY. That accounts for quite a great many of those.

Gen. LEJEUNE. We have down there in addition to the recruit training depot, a prison, a rifle range, a training school for bandsmen, trumpeteers, and drummers.

Mr. KELLEY. How many enlisted men are there at Quantico in that permanent establishment?

Gen. LEJEUNE. Four hundred and fifty. Those men are assisted men attached to the organizations stationed there.

Mr. KELLEY. What are those doing at headquarters in Washington?

Gen. LEJEUNE. Running our school, a correspondence school for enlisted men throughout the Marine Corps.

Mr. KELLEY. There are 239 there.

Gen. LEJEUNE. You mean at headquarters. They are the clerks at headquarters.

Mr. KELLEY. Are they enlisted men, too?

Gen. LEJEUNE. Yes, sir. I want to talk about that later on too. There has been a reduction of 100 men since the 1st of July and 100 prior to that time. There is going to be a further cut when we finish some war work we are doing there. We can not close up Parris Island, disestablish it, and move away, without scattering all those trained men who are doing special work, such as the men running power plants, boats, trucks, and everything of that kind. That plant down there has to go full blast to keep up a constant inflow of recruits and an outflow of trained men.

Mr. KELLEY. What will you do after you get all the recruits out?

Gen. LEJEUNE. We could take them all out and close the place up. But our training force would be broken up.

Mr. KELLEY. Instead of taking them to Quantico?

Gen. LEJEUNE. That could be done, of course.

Mr. KELLEY. Was it intended to establish Quantico permanently?

Gen. LEJEUNE. We can not get along without it.

Mr. KELLEY. Why could it not be expanded at Parris Island and get along at one place?

Gen. LEJEUNE. Parris Island is well fitted for recruits. It has a good terrain to give recruits the A B C of military training. It is isolated and the recruits are kept at home and at work during the nine weeks' training. It is on an island and the climate and soil are good and it is a very fine site for a recruit depot, but it does not have the essential characteristics for the training of men in the higher part of the military profession. It is unsuited for the higher military training, such as is given at Quantico.

Mr. KELLEY. You need a rough country for that?

Gen. LEJEUNE. We need a rough country and we need to be nearer the great Navy base of Chesapeake Bay where the fleets have a rendezvous. The Navy base is at Hampton Roads. On account of the distance of Parris Island from this base, our men would have to be sent long distances by rail. The Marine Corps base, too, should be near the industrial center of the country, so that supplies of all kinds can be obtained without long shipments. Quantico can be reached by our smaller transports. The larger ones would have to anchor some miles down the river and the men sent down by barges or tugs.

Mr. BYRNES. You would take them down by barges?

Gen. LEJEUNE. Yes, or tugs.

Mr. BYRNES. As a matter of fact you have to ship them by rail to Norfolk.

Gen. LEJEUNE. We have sent men by rail to Philadelphia or Norfolk. There are shoals in the Potomac River which prevent ships drawing over 23 feet coming to Quantico.

Mr. BYRNES. I know ships can not come up.

Gen. LEJEUNE. Ships drawing 23 feet can not come all the way up the river. Alongside the dock at Quantico we have 30 feet of water, but there are shoals below Quantico. The two places are very useful, Parris Island for recruits and Quantico for advance base and expeditionary forces.

Mr. KELLEY. I notice you have over 500 men at Mare Island.

Gen. LEJEUNE. That is the recruit depot on the west coast. Men enlisted west of Omaha are sent to Mare Island to save expenses. We could send them to Parris Island, but it would involve a haul from Montana, Oregon, etc., to Parris Island and then return to the west coast for duty with the fleet and at our stations in the Pacific.

Mr. KELLEY. When you get started at San Diego they will all come down.

Gen. LEJEUNE. I do not expect to locate the recruit depot at San Diego.

Mr. KELLEY. You are not going to have two places there?

Gen. LEJEUNE. If our recruits are sent to San Diego it would mean their shipment by rail from Montana, Oregon, Washington, Idaho, Colorado, and other Western States to the southwestern corner of the United States, and after the completion of their training the bulk of them would have to be shipped by rail to San Francisco for further shipment by transports to foreign stations in the Philippines, Guam, and Pekin. San Diego is planned for our west coast advance base force. The recruit depot at Mare Island is near San Francisco, and is nearer the localities from which our recruits are drawn.

Mr. KELLEY. These separate plants consume the fund.

Gen. LEJEUNE. It does not eat up as much as the railroad fare to and from San Diego. The railroad fare is tremendous.

Mr. KELLEY. As fast as they are recruited you train a little while at San Francisco?

Gen. LEJEUNE. At Mare Island.

Mr. KELLEY. They go down to San Diego.

Gen. LEJEUNE. Some of them will.

Mr. KELLEY. You will find you have got them in about the same relation if you have two plants instead of one.

Gen. LEJEUNE. It will be a very simple matter to shift to San Diego.

Mr. KELLEY. Why do you not do that?

Gen. LEJEUNE. It is just a matter of expense.

Mr. KELLEY. Figure out one place to establish it economically.

Gen. LEJEUNE. We figure it would cost more, but if the reverse were true I would take San Diego.

Mr. KELLEY. Take those two you have on the east coast; if you did not have but one place, how much more economically you can get along this coming year.

Gen. LEJEUNE. That is perfectly true.

Mr. KELLEY. It is especially true when you are running a little bit low.

Gen. LEJEUNE. Yes; I believe in concentration. That is why I oppose the scattering of the Marine Corps the way we had to do before the war. If we had the corps distributed at Philadelphia, New York, Boston, and other places, we would have to assemble them for expeditions. The organization would not be efficient.

In regard to San Diego, a barracks has been under construction there for nearly five years. When such a long time is taken to build there is a lot of loss from overhead. If you are going to build these barracks it seems to me the more quickly they are completed, the better, and instead of appropriating \$500,000 this year, give us \$1,000,000.

EXPEDITION TO HAITI.

Mr. KELLEY. Tell us about Haiti.

Gen. LEJEUNE. I do not know what you want me to tell.

Mr. KELLEY. You have a lot of men there.

Gen. LEJEUNE. We need every one of them.

Mr. KELLEY. Will we ever get out of Haiti?

Gen. LEJEUNE. That is for you to decide.

Mr. KELLEY. There are 1,691 men there.

Gen. LEJEUNE. That is the complement for Haiti.

Mr. KELLEY. What is the situation there? Are you going to get the people there used to self-government?

Gen. LEJEUNE. The situation in Haiti was very quiet when I was there in September.

Mr. KELLEY. Are we running the place completely?

Gen. LEJEUNE. The marines have nothing to do with their Government.

Mr. KELLEY. What are we there for?

Gen. LEJEUNE. To maintain peace.

Mr. KELLEY. Does the President of Haiti direct the marines?

Gen. LEJEUNE. No, sir.

Mr. KELLEY. Do the marines direct the president?

Gen. LEJEUNE. No, sir.

Mr. KELLEY. What is the relation between the two Governments down there?

Gen. LEJEUNE. The marines are a police force that maintains peace.

Mr. BYRNES. Are the men scattered all over the place?

Gen. LEJEUNE. Yes, sir.

Mr. BYRNES. Who pays the expenses down there?

Gen. LEJEUNE. The United States Government. It comes out of our appropriation.

Mr. BYRNES. How long have we been there?

Gen. LEJEUNE. We landed there July, 1915.

Mr. BYRNES. Has our force been decreased or increased?

Gen. LEJEUNE. We landed there originally with a little over 2,000 men.

Mr. BYRNES. This is the number the State Department tells you you will have to keep there.

Gen. LEJEUNE. Yes, sir.

Mr. BYRNES. Really we are necessary to the order of the islands?

Gen. LEJEUNE. I have nothing to do with policy of the Government. The marines are there and as long as they are there, I am

going to do everything in my power to make those men comfortable, even if a deficiency has to be created and I have to go to jail. I am not going to have these men exposed to the elements without shelter and underfed or without clothing. I am going to keep as many men down there as conditions warrant, so they will not be exposed to danger of being butchered, and as long as the marines are there I am going to do everything in my power to see that they are protected and cared for. When the Government gets ready to withdraw them I will be ready to do so promptly.

Mr. BYRNES. This is the number, 1,696, that they need up there.

Gen. LEJEUNE. Yes, sir.

Mr. BYRNES. Have you had more than that down there?

Gen. LEJEUNE. There have been more.

Mr. BYRNES. How about Santo Domingo with 2,291 men?

Gen. LEJEUNE. One of the best officers we had down there sent a cablegram for 2,900.

Mr. BYRNES. I saw in the paper that the marines had been ordered home from Santo Domingo.

Gen. LEJEUNE. They have not been; that is a mistake. Two regiments of the force in Santo Domingo are in the interior and have to be supplied by trucks and bullock carts. In the rainy season the roads are almost impassable. The men have to be located where disturbances are likely to occur.

Mr. BYRNES. You said you had been impressed with the fact that our marines had been doing good work in Haiti. What do you have reference to?

Gen. LEJEUNE. I was impressed by their soldierly bearing and discipline, their appearance, and the fact that they were fulfilling efficiently the mission that they were sent there to fulfill.

Mr. BYRNES. To preserve order.

Gen. LEJEUNE. Preserving peace and order and tranquillity and being on good terms with the natives.

Mr. BYRNES. There has been an impression to the contrary. You think they are on good terms with the natives?

Gen. LEJEUNE. Yes; with the law-abiding, peaceful natives who wish to work and enjoy the fruits of their labor.

Mr. KELLEY. To the layman it looks as though there were unnecessary numbers of marines at stations and even in the department at Washington.

CERTIFICATES OF WAR SERVICE.

Gen. LEJEUNE. Mr. Chairman, the number of marines on duty at headquarters has been cut by 100 since the 1st of July, and by 100 during the six months prior to the 1st of July, and there are going to be further cuts. We have in sight a cut of 90 as soon as we get through with a lot of war work that we are doing.

You might be interested in seeing what we are doing for all the ex-marines that served during the war. We have given every marine that served in the Marine Corps during the war this certificate [indicating]. His name is put in there and the places where he has served. They take it home and frame it. We will have about 75,000 of these certificates hung on the walls of the homes of our men. We are sending all the men who served with the Fourth Brigade overseas in these engagements copies of citations awarded

by the French Government. They were made from the originals sent by the French Government and every man in the Fifth and Sixth Marines and the Sixth Machine Gun Battalion in these engagements will get a copy. If he served in all of them, he will get a copy of each one of them. They are a matter of great pride to the men who receive them or to the families of the men who were killed.

Mr. KELLEY. This will be put in the record.

Gen. LEJEUNE. We have given all men whose conduct warranted it, a good conduct medal and a certificate.

Mr. KELLEY. You put into the record statements showing the disposition of the 27,400 marines which you are asking us to appropriate for?

Gen. LEJEUNE. Yes, sir; every man who was wounded gets one of these certificates. We issued 75,000 victory medals last fall, and on each medal were the clasps showing the engagements, participated in by the holder.

CORRESPONDENCE SCHOOLS.

Mr. BYRNES. I wish you would tell me what you mean by these correspondence schools. I notice you have a number of men at the correspondence schools. What are they doing?

Gen. LEJEUNE. Last year we organized a local school at Quantico to give men instruction in such subjects as they wanted to have. We created a staff of instructors down there, consisting largely of enlisted men. That school was founded on what is known as the correspondence system. Correspondence does not mean going through the mails necessarily. It is a system in vogue in 83 universities and colleges in the United States, and it is also used by the big commercial institutions like the Scranton International Correspondence School in Pennsylvania.

It is a system by which a man studies at home or out of hours, and his progress is judged by the examinations that he passes. It is a question of examinations and marking the examination papers. He has a certain course to go through, which corresponds very closely to the course at college or at the technical school, and when he has passed his examinations, or tests, and his papers have all been marked, and he has attained a certain average in all of these different textbooks that are sent to him, then he has a final examination covering the entire course, and if he qualifies in that he gets a diploma. It is home study.

Mr. BYRNES. How long have you been running this?

Gen. LEJEUNE. We started it last spring. It had its beginning just about a year ago. That is, the initial steps were taken a year ago at Quantico for the local institution, and then last summer it was extended to the Marine Corps as a whole. We have about 5,000 men enrolled in it, without any effort on our part.

Mr. BYRNES. I was going to ask you, what effort do you have to make?

Gen. LEJEUNE. We have not made any effort. The requests for enrollments have exceeded our provisions for looking after them. We have trouble keeping up with the work.

Mr. BYRNES. How many men have completed the course since they started?

Gen. LEJEUNE. Most of the courses are pretty long. It is like going to school. You can not complete it in a few months.

Mr. BYRNES. I thought it was for a certain period?

Gen. LEJEUNE. When a man completes certain sections of the course, we issue certificates. We have issued thousands of those.

Mr. BYRNES. What I want to know is whether they start it and they think they want to go through with it, but then they get tired of it and quit?

Gen. LEJEUNE. You can count on this, that out of 5,000 probably 3,000 men will continue their interest and about 2,000 men will get tired and slow down. In other words, you will get about 50 to 60 per cent live students.

Mr. BYRNES. Of those who have continued this, and who have completed certain branches, do you think it has a good effect upon him as a soldier?

Gen. LEJEUNE. It has. Anything which is useful—any occupation which is useful to the man personally has a good effect on him.

Mr. BYRNES. Well, what about the man who has even a very little education, being a better and more intelligent soldier than the man who has none?

Gen. LEJEUNE. Yes. Undoubtedly. Then you can not take up all of his time with military training? He has a good deal of time which otherwise he would have on his hands. He uses that to improve his mind.

Mr. BYRNES. And it makes him a better soldier?

Gen. LEJEUNE. It makes him a better soldier and a better man. There is no question about it. An officer told me, who was out in Guam about 15 years ago that he had 150 men there with him and 30 or 40 of those men were taking these correspondence courses, for which they paid \$100 or \$150 themselves personally. They were among the best men that he had. They were better satisfied. Their morale was better. They kept themselves busy all the time.

Mr. BYRNES. Have you any idea how much it is costing the corps for this correspondence school work?

Gen. LEJEUNE. I have a statement here that I can give you. The statement shows that it costs per student \$6 per year. I think \$10 per student to be a more accurate estimate. Here is a paper showing all the data, if you would like to see it.

Mr. BYRNES. You let the men make their own selection as to certain branches?

Gen. LEJEUNE. Yes; we allow them to make their own selection. We are gradually cutting down on the number of courses. We find that certain ones are popular and others only a few want to take. We can not keep up the examining staff for just a handful of men. We are gradually eliminating these courses and eventually we will only have the ones that you notice there have a large number of men taking them.

MARINES IN PANAMA ZONE.

Mr. KELLEY. Does the Army control the Panama Zone entirely?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. How do you happen to have 50 marines down there?

Gen. LEJEUNE. They haven't gone yet, but they are going, as a guard for the Coco Solo submarine, aviation, and wireless base. The Navy has a base down there called Coco Solo. It is for the sea protection of the canal—not for the land.

Mr. KELLEY. Well, that makes a total of 27,400 men, if they are all authorized?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. If they are all provided for.

Gen. LEJEUNE. Yes, sir. Now, Mr. Chairman, I hope you will understand this, that whatever amount you authorize we are going to do the best we can, and we are going to administer the whole business in an economical way and try to have efficiency and economy with whatever you do give us.

Mr. KELLEY. I believe that, General.

Gen. LEJEUNE. We are going to give the Government, as far as we can, a dollar's worth of value for every dollar that you give us.

PROPOSED STRENGTH OF FORCE.

Mr. KELLEY. But, getting down now to anything like determining upon an exact number for the Marine Corps, it is very difficult. You could use 50,000 or 40,000 or 30,000 or 20,000?

Gen. LEJEUNE. I would not ask for more than you have authorized.

Mr. KELLEY. Still, they are asking for more than authorized, if you respond to the requests from all the naval stations and ships.

Gen. LEJEUNE. We would have 33,000 according to present requests, and the number would grow; but I do not contemplate making any increases.

Mr. KELLEY. Now, there is not any relation apparently between the number of men in the Navy—any logical relation—and the number of men in the Marine Corps? It was fixed arbitrarily and that was the only way it could be fixed?

Gen. LEJEUNE. Twenty per cent.

Mr. KELLEY. There was no special reason why it should be 20 per cent?

Gen. LEJEUNE. Yes. It has been found by experience from the time the Marine Corps and the Navy began to grow that that was about the number that each needed. As the Navy expanded, we expanded.

Mr. KELLEY. It happened to be a relation—

Gen. LEJEUNE. It has been remarkable how closely we have stuck to that.

Mr. KELLEY. That is because wherever we have increased the Navy, you have come along and increased your strength?

Gen. LEJEUNE. No; we did not begin to argue for 20 per cent of the Navy until 1915. The increases had been made from time to time without regard to any percentage, yet the Marine Corps remained at about 20 per cent of the Navy, and finally the General Board adopted that proportion between the two services as a policy.

Mr. KELLEY. How many Marines did you have in 1916?

Gen. LEJEUNE. We had 9,921 to be exact, and you increased the corps to approximately 15,000 with a war strength of 17,400. Then, after the declaration of war, there was an increase, first, to 30,000,

and then to 75,000, and then it was fixed at 27,400 for 1 year, and last year this number was made permanent.

Mr. KELLEY. Do you not think that having the fixed authorized strength at 27,400, and having based your officers upon that strength so that you can preserve your organization in the event of necessity, quickly bring up the enlisted men, that we could well afford, for a few years, to run a little light on the number of men? Even a little lighter than you are now? Say 15,000 or 17,500?

Gen. LEJEUNE. No, sir; I do not think so.

Mr. KELLEY. Well, you agree to the general policy that where you do keep your organization by having your officers all the time in readiness, on the list, in active service, that you could get along safely with a smaller enlisted force than though you had reduced your officer personnel by the same percentage that you had reduced the enlisted force?

Gen. LEJEUNE. I will put it another way. I will say that it is very much better, from our point of view, not to lose both.

Mr. KELLEY. But if you are going to lose either one, of course the one that can be trained in the shortest period of time is the one to lose?

Gen. LEJEUNE. Yes.

Mr. KELLEY. That is only logical.

Gen. LEJEUNE. Yes, sir. While you have brought this up, I want to tell you, I think you are entitled to know it, that we have not any reserve. Our reserve force, authorized by act of Congress, is rapidly disappearing, because there has been no appropriation made for the reserve. At the close of the war we had something like 6,800 reserves. They are going out rapidly. We are losing them rapidly because we have no money available to pay them. They are all competent. A great many of them served overseas. I am telling you this because you are counting on the reserve. We haven't got any and will not have any unless there is an appropriation made for the reserve. The Navy has been able to maintain a reserve.

Mr. KELLEY. A white elephant on their hands.

Gen. LEJEUNE. Well, I wanted you to understand it, that the law made it mandatory for us to do certain things but we are not doing them on account of the lack of funds.

Mr. KELLEY. Yes. We passed a law, upon the recommendation of the military people. Theoretically it is good, but practically it is running into money far beyond anybody's dream.

Gen. LEJEUNE. I have got some papers which I might submit to you.

Mr. KELLEY. I do not think there is any use submitting any question about the reserves. If you are through with the general statement, suppose we take up now the items in the bill?

Gen. LEJEUNE. Very well, sir.

PAY OF MARINE CORPS.

Mr. KELLEY. Marine Corps. "Pay of the Marine Corps; pay of officers, active reserve list." For pay allowance you had \$3,705,952 this year, and you are asking now for \$4,386,196.

Gen. LEJEUNE. Gen. Richards has all the information about that, sir.

Gen. RICHARDS. I want to file certain papers in connection with the general question of pay of the Marine Corps. I have had a number of copies made of it. The first paper is a very useful paper to you. It shows what was expended in these various items of the total appropriation for the year 1920; what was appropriated in the same items for the year 1921; and what is contained in the estimates for the year 1922, based upon a strength of 27,400 men. It also shows the increases and decreases, and it shows a further estimate for 1922 based on 20,000 men, with corresponding increases and deductions in the several items. I would like to make that a part of the record, together with my report of last September, submitting these estimates.

Mr. KELLEY. Very well.

(The statement referred to follows:)

Pay, Marine Corps, 1922—Difference between amounts appropriated for 1921, by items.

Item.	Expended, 1920.	Appropriated, 1921.	Estimated, 1922, 27,400 men.	Increase.	Decrease.	Estimated, 1922, 20,000 men.	Increase.	Decrease.
Pay, officers, active and reserve list:								
Base pay.....	\$3,470,360.39	\$2,876,350.00	\$2,816,750.00	\$23,620.00	\$59,800.00			
Bonus act, May 18, 1920.....	310,210.22	368,070.00	723,780.00	723,780.00				
Bonuses, Marine Corps Reserve (included in miscellaneous item, 1921). .	12,000.00	135,232.00	10,886.01	10,898.01	14,576.00			
Sea and foreign shore service.....	134,128.00	46,000.00	120,656.00					
Airman.....	63,304.80		89,874.00	46,874.00				
Miscellaneous items (aids, mounts, retainer pay, lost personal property). .	40,307.62	77,300.00	32,550.00		44,750.00			
Total.....	4,030,312.13	3,705,932.00	4,386,196.01	798,170.01	118,926.00			
Net increase.....				680,244.01				
Pay, officers, retired list: Base and longevity pay.....	268,983.82	278,740.00	383,781.25	75,021.25				
Pay, enlisted men, active list:								
Base pay.....	8,088,797.20	7,893,296.20	11,290,644.00	3,397,377.80			\$8,320,800.00	\$427,533.80
Bonuses, May 18, 1920 and June 4, 1920.....	186,036.19	125,000.00	690,112.70	690,112.70			508,320.20	16,985.68
Retainer pay.....	160,000.00	233,242.00	111,965.68	16,965.68			141,965.68	34,711.60
Continuance service or longevity pay.....		453,620.00	228,580.40				228,580.40	
Increase for sea and foreign shore service.....	588,511.65	37,301.68	886,128.72	378,308.72			638,988.46	180,166.48
Pay, increase for aviation.....	7,301.68	37,301.68	29,256.00				29,256.00	8,290.00
Pay, general court-martial prisoners.....	60,000.00	5,290.00	79,200.00	23,940.00			79,200.00	21,910.00
Travel allowance on discharge.....	11,788,372.00	165,000.00	445,725.00	280,725.00			445,725.00	280,725.00
Interest on deposits.....	18,388.82	15,000.00	15,000.00				15,000.00	
Traveling expense of clerks.....	13,271,531.82	1,291,207.00	1,618,818.00	351,611.00			1,000.00	
Miscellaneous items.....							1,372,242.00	
Total.....	14,086,912.37	10,308,331.20	15,408,680.30	5,132,340.90	42,981.00	11,681,025.76	1,437,651.16	64,055.80
Net increase.....				5,100,349.30			1,372,691.56	
Pay, enlisted men, retired list:								
Undrawn clothing.....	282,319.31	168,045.00	210,822.60	42,777.60				
Mileage.....	53,960.32	50,000.00	25,000.00				25,000.00	
Communication of quarters.....	182,488.97	162,500.00	150,000.00				12,500.00	
Fay, civil force, Marine Corps.....	142,576.62	212,500.00	212,500.00					
Miscellaneous items.....	35,384.13	145,711.28	140,711.28					

¹ Includes travel pay for officers on discharge.² Includes \$60 war bonus, officers and men.

Pay, Marine Corps, 1922—Difference between amounts appropriated for 1921, by items—Continued.

Items.	Expended, 1921.	Appropriated, 1921.	Estimated 1922, 27,400 men.	Increase.	Decrease.	Estimated 1922, 24,000 men.	Increase.	Decrease.
Recapitulation.								
PAY, officers active and reserve list.....	\$4,030,312.13	\$3,705,952.00	\$4,386,198.01	\$799,170.01	\$118,926.00	\$4,386,198.01	\$680,244.01	
Pay, officers, retired list.....	263,853.82	278,740.00	353,761.25	75,021.25	333,761.25	75,021.25	75,021.25	
PAY, enlisted men, active and retired list.....	14,088,942.37	10,308,331.20	15,408,980.50	5,143,340.50	42,991.60	11,681,025.76	1,372,694.56	
PAY, enlisted men, retired list.....	282,319.31	108,045.00	210,822.60	42,777.60	210,822.60	42,777.60	42,777.60	
Undrawn clothing.....	53,990.32	50,000.00	25,000.00	25,000.00	25,000.00	25,000.00	\$25,000.00	
Mileage.....	183,488.97	162,500.00	150,000.00	12,500.00	12,500.00	150,000.00	12,500.00	
Communication of quarters.....	142,576.02	212,500.00	212,500.00	212,500.00	212,500.00	212,500.00	212,500.00	
Pay, civil force, Marine Corps.....	35,394.13	146,711.28	146,711.28	146,711.28	146,711.28	146,711.28	146,711.28	
Total.....	19,087,008.07	15,032,778.48	20,883,671.04	6,060,306.76	199,417.60	17,168,016.90	2,170,737.42	
Total net increase.....				6,860,882.16		2,133,237.42		

HEADQUARTERS UNITED STATES MARINE CORPS,
Washington, September 11, 1920.

From: The paymaster.

To: The Major General Commandant.

Subject: Preliminary estimates for "Pay, Marine Corps," for the fiscal year ending June 30, 1922.

Reference: (a) Department's circular letter August 5, 1920.

Inclusions: 3 (in duplicate).

1. Pursuant to reference (a), this office transmits herewith the preliminary estimates covering the fiscal year ending June 30, 1922, together with a memorandum showing in detail the method of calculation by which the totals for the several items are obtained.

2. The estimate shows increases and decreases over corresponding items contained in the appropriation for the fiscal year ending June 30, 1921, as follows:

	Increase.	Decrease.
Officers, active and reserve.....	\$680,244.01	
Officers, retired.....	75,121.25	
Enlisted men, active and reserve.....	5,100,349.30	
Enlisted men, retired.....	42,778.60	
Undrawn clothing.....		\$25,000
Mileage.....		12,500
Net increase.....	5,880,892.16	

3. The increase in pay for officers, over 1921, of \$680,244.01, is accounted for as follows:

Officers.	1921	1922	Increase (+) decrease (-).
Base pay.....	\$2,783,850.00	\$2,816,750.00	+\$22,900.00
Bonus, act of May 18, 1920.....		723,780.00	+\$723,780.00
Reserves on active duty.....	82,500.00		- 82,500.00
Longevity.....	568,070.00	591,690.00	+ 23,620.00
Sea and field service stations.....	135,232.00	120,656.00	- 14,576.00
Aviation.....	49,000.00	89,874.00	+ 40,874.00
Miscellaneous (increase retainer pay).....	77,300.00	43,446.01	- 33,853.99
Net increase.....	3,705,952.00	4,386,196.01	680,244.01

Thus explained: The increase of \$22,900 in base pay is accounted for by a different distribution of officers according to rank and two additional numbers in the grade of colonel omitted in estimate for 1921, one first lieutenant additional in grade and the decrease of one major, one captain, and one second lieutenant.

Increase:

1 major general.....	\$8,000
2 brigadier generals.....	12,000
2 colonels.....	8,000
1 first lieutenant.....	2,000
	30,000

Decrease:

1 major.....	\$3,000
1 captain.....	2,400
1 second lieutenant.....	1,700
	7,100

Net increase.....

The increase of \$723,780 is the bonus increase provided by the act of May 18, 1920. The decrease of \$82,500, reserve officers on active duty is accounted for by the fact that no reserve officers will be called to active duty during the fiscal year.

The increase of \$23,620 in longevity pay is due to—

Two additional colonels over 20 years.....	\$2,000
A change from 65 to 70 majors over 15 years, increase of.....	4,500
A change from 20 to 30 captains over 15 years, increase of.....	7,200
One first lieutenant over 20 years (additional).....	800
Ten first lieutenants over 15 years.....	6,000
A change from 130 to 140 first lieutenants over 5 years, increase of.....	2,000
A change from 15 to 18 second lieutenants over 20 years, increase of.....	2,040
A change from 40 to 45 second lieutenants over 15 years, increase of.....	2,550
A change from 115 to 120 second lieutenants over 10 years, increase of.....	1,700

30,790

As an offset, a change from 48 to 42 majors over 10 years, a decrease of..	\$3,600
A change from 86 to 80 second lieutenants over 5 years, a decrease of..	1,020
A decrease in longevity pay of pay clerks which, in 1921, was based on an estimate as to the length of service, while for 1922, it is based on actual service.....	2,550

7,170

23,620

A decrease of \$14,576 for sea and foreign shore service is due to the additional number of officers, the difference of rank, and the difference in length of service of officers on such duty.

3 additional colonels.....	\$1,500
1 additional pay clerk.....	204

1,704

Decrease due to difference in length of service:

40 majors.....	1,600
100 captains.....	4,800
120 first lieutenants.....	2,400
145 second lieutenants.....	4,930
30 marine gunners.....	750
30 quartermaster clerks.....	750
1 less lieutenant colonel.....	450
1 less brigadier general.....	600

16,280

1,704

Net decrease..... 14,576

The increase of \$40,874 for aviation is explained as follows:

The estimate for 1922 is based on a total of 77 officers as aviators and 23 student aviators according to rank and length of service, amounting to \$89,874, while the estimate for 1921 was based on a total of 49 officers on aviation duty at an estimated cost of \$1,000 each per annum, or \$49,000.

The decrease in miscellaneous of \$33,853.99 is explained as follows:

A decrease in retainer pay of.....	\$4,103.99
A decrease in estimate for allowance for officers serving under unusual con- ditions of.....	33,000.00
A decrease in estimate for reimbursement to officers for personal property lost of.....	7,500.00

44,603.99

An increase in pay for aid de camp, of.....	\$750.00
For death gratuity provided by act of June 4, 1920.....	10,000.00

10,750.00

Net decrease..... 33,853.99

4. The increase of \$75,021.25 for retired officers is explained as follows:

1 additional major general.....	\$6,000.00
1 additional lieutenant colonel.....	3,375.00
2 additional majors.....	7,050.00
5 additional captains.....	3,600.00
6 additional first lieutenants.....	2,850.00
2 additional second lieutenants.....	2,805.00
To provide for additional retirement, difference in amount estimated 1921 and amount appropriated.....	50,000.00
	<hr/>
	75,685.00

Reduction due to following:

1 quartermaster clerk.....	\$281.25
2 pay clerks.....	382.50
	<hr/>
	663.75

75,021.25

In connection with the above explanation some inconsistencies occur, due to the fact that in preparing the estimate for 1921 the length of service of retired officers was not given, while the estimates for 1922 are based on the actual length of service of each officer on the retired list.

5. The increase of \$5,100,349.30 for enlisted men is due to a number of causes: (a) The estimate for 1921 was based on an average enlisted strength of 20,000 men, while for 1922 it is based on the authorized strength, viz. 27,400; (b) the act of May 18, 1920, increased the rates of pay of all enlisted men above the grade of private 20 per cent, and this was continued by the Army reorganization act of June 4, 1920, to all enlisted men above the grade of first-class private; (c) the naval appropriation act of June 4, 1920, as construed by the Comptroller of the Treasury, extends to marines the same gratuity for reenlisting as is allowed enlisted men of the Navy; (d) the Army reorganization act of June 4, 1920, established new rates of pay for the enlisted men of the Army, which, by virtue of section 1612, Revised Statutes, applies to the Marine Corps; (e) death gratuities provided by the Navy act of June 4, 1920; (f) increase in travel pay due to the increase in rate and shorter enlistments; and (g) estimate for specialists heretofore provided under maintenance for men detailed on extra duty.

It is impossible to account in detail for the entire amount of increase as so many factors enter into the computation, but the principal items as outlined above are as follows:

The base pay for 27,400 men, based on present pay laws, amounts to.....	\$11,290,644.00
The base pay for 20,000 based on prior laws amounts to.....	7,925,952.00
	<hr/>
An increase in base pay for 27,400 men of.....	\$3,364,692.00
The increase for 20 per cent additional pay provided by the act of May 18, 1920, amounts to.....	690,412.70
The increase for honorable discharge gratuity per naval act of June 4, 1920, amounts to.....	255,000.00
Amount required to pay death gratuities under the act of June 4, 1920.	53,550.00
The estimated increase for travel pay on discharge amounts to.....	280,725.00
Due to the higher rates of pay, the 20 per cent increase for sea and foreign-shore service, based on the same number of men on such duty, shows an increase of.....	325,528.72
The estimated increase in the number of good-conduct medals and bars calls for an increase in the estimates for the purpose of about	50,000.00
The estimated increase in the number of men on recruiting duty who hold recruiting warrants requires an increase of about.....	54,960.00
To provide for the pay of specialists heretofore carried under main- tenance.....	220,680.00
	<hr/>
A reduction in continuous service or longevity pay has been effected by the act of June 4, 1920, of about.....	\$75,000.00
A decrease in the estimates for maintenance allowance of men serving under unusual conditions has been made of about.....	100,000.00
	<hr/>
	175,000.00
	<hr/>
	5,160,548.42

6. The increase of \$42,777.60 for retired enlisted men is accounted for as follows (the increases given include war pay which was made permanent):

	War pay for—	Amount.
Additional:		
6 sergeants major.....	18	\$5,832.00
3 quartermaster sergeants.....	34	4,266.00
Drum major.....	1	54.00
8 gunnery sergeants.....	37	8,478.00
5 first sergeants.....	53	6,912.00
2 corporals.....	12	2,700.00
Private and drummer.....	11	1,485.00
Decrease:		
2 sergeants.....	55	2,718.00
To be retired:		
1 sergeant major.....		1,121.40
2 quartermaster sergeants.....		2,242.80
3 gunnery sergeants.....		2,570.40
1 sergeant.....		756.00
1 principal musician.....		1,364.00
2 first-class musicians.....		2,278.00
		42,777.60

7. Monthly report of the status of mileage fund for the fiscal year ending June 30, 1920, shows a balance unexpended of \$15,180.97. It is therefore believed safe to reduce the amount for mileage to \$150,000, a decrease of \$12,500.

8. The decrease of \$25,000 under undrawn clothing is due to the discontinuance of the system of saving on clothing allowance during the war, which has not been re-established.

9. There is no provision in the estimate for the payment of active duty pay to the Marine Corps Reserve in the event of call to active duty, if by being called to active duty the strength of the corps should exceed 27,400.

10. No change is shown for the civil force, as no data was furnished bearing on this point.

11. The estimate for specialists is based on the number of enlisted men drawing extra duty pay, June 30, 1920.

GEORGE RICHARDS.

PAY OF OFFICERS, ACTIVE AND RESERVE LISTS.

Mr. KELLEY. How much is the amount for "Pay of officers," estimated at 20,000 men? Oh, this is for the pay of the officers that you are talking about now?

Gen. RICHARDS. Yes. Pay of the officers' active and reserve lists. Now, there is an estimate for officers for 27,400 men, \$4,386,196.01.

Mr. KELLEY. The number of officers to be appropriated for is independent entirely of the number of men?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Now, how much do you ask for, for the officers this coming year?

Gen. RICHARDS. We ask for that sum, \$4,386,196.01.

Mr. KELLEY. Now, that is practically the same number of officers that you had last year?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. With the increased pay, which we put through in the special bill?

Gen. RICHARDS. Yes, sir. Now, that is an increase of \$680,244.01 over what was appropriated for last year. Now, that increase is due to the increased rate of pay as well as for other causes.

Mr. KELLEY. What are you talking about now, General?

Gen. RICHARDS. That is the increase over what was appropriated for last year.

Mr. KELLEY. For the officers?

Gen. RICHARDS. For the officers. The expense for the year 1920 was different from what was appropriated for 1921, our current appropriation. There is an increase of \$723,780, due to the bonus, or higher pay, created by the act of May 18, 1920. It was not included in last year's appropriation. However, certain decreases in items make the net increase, as stated, \$680,244.01.

Mr. KELLEY. Was that the \$60 bonus?

Gen. RICHARDS. No, sir. The increased rate of pay provided for as a bonus to 1922 for every officer of the grade of colonel or below.

Mr. KELLEY. That is what that amounted to?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. \$723,780?

Gen. RICHARDS. Yes, sir. Through the relief of reserves on active duty last year we saved about \$82,000.

Longevity: As the officers grow older they add to their longevity pay, \$23,620.

Sea and foreign-service pay: That has decreased this year. We have dropped \$14,578 from that.

Aviation: We are gradually increasing the aviation forces, and there is an increase in appropriation for their pay of about \$40,874.

In retainer pay, as we are losing the reserves, there is a reduction from \$15,000 to \$10,896.01 in this item. The total amount is shown as increase as last year this item was included under "Miscellaneous" which is correspondingly reduced this year. The net increase under pay of officers is \$680,244.

Mr. KELLEY. That is assuming that you have the same number of officers this coming year that you had this present year?

Gen. RICHARDS. This is for the legal strength.

Mr. KELLEY. Is the number to be the same?

Gen. RICHARDS. It will be practically the same of course. The legal strength of officers was fixed by the act of June 4, 1920, and although there are quite a number of them temporarily in other grades, serving under temporary commissions, there will still be nearly the full amount for permanent commissions.

Mr. KELLEY. How many were you allowed to select for permanent commissions.

Gen. RICHARDS. The full allowance for 27,400 men.

Mr. KELLEY. Will you get out of the list offering themselves, a sufficient number to make the full strength?

Gen. RICHARDS. Yes, sir; we so expect.

Gen. LEJEUNE. We have 1,200 applicants for 600 places.

Mr. KELLEY. But now about the examinations that they will have to pass?

Gen. LEJEUNE. They will get through all right. The board has nearly finished its work.

Mr. KELLEY. So that you will have your full complement of officers?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. The full amount of 27,400 men?

Gen. LEJEUNE. Yes, sir. They are all men who served in the war.

Mr. KELLEY. You are on the board, are you not, Gen. Lejeune?

Gen. LEJEUNE. No. The board consists of Gen. Neville, Gen. Butler, Gen. Lee, Col. Lane, Col. Snyder, Col. Bradman, and Col. Wadleigh.

NUMBER OF OFFICERS.

Mr. KELLEY. Will you please put into the record a statement showing the number of officers in each rank?

Gen. RICHARDS. Yes, sir; I will do that.

Mr. KELLEY. And who will receive this pay of \$4,386,196.01?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. And a statement showing the distribution of these officers through?

Gen. RICHARDS. Yes, sir. That will go in the record.

Number of officers receiving longevity pay.

[Authorized enlisted strength, 27,400, less 67 Marine Band, making 27,333, on which commissioned strength is figured.]

	Author- ized.	In service.		Author- ized.	In service.
Commissioned:			Commissioned—Continued.		
Generals.....	12	12	Second lieutenants.....	275	* 227
Colonels.....	33	35	Total.....	1,093	911
Lieutenant colonels.....	44	45	Warrant:		
Majors.....	124	122	Marine gunners.....	50	46
Captains.....	329	283	Quartermaster clerks.....	50	45
First lieutenants.....	276	* 187	Pay clerks.....	42	42

* 2 extra numbers—J. T. Myers and Elisha Theall.

* 1 extra number—F. E. Evans.

* Vacancies in the grades of captain, first lieutenant, and second lieutenant are now in the process of being filled by the board now in session.

* 1 extra number—Edgar Hayes.

NOTE.—The act of June 4, 1920, authorized 50 additional warrant officers, these appointments to be made from worthy noncommissioned officers who are now serving as temporary commissioned officers and who are not selected for retention in commissioned grade.

REENLISTMENT GRATUITY.

Mr. KELLEY. Do you have a reenlistment gratuity?

Gen. RICHARDS. We have it, in the nature of a ruling, based upon legislation passed in the last naval appropriation act, the bonus or gratuity for reenlistment for the Marine Corps, which is the same as is provided for the Navy. The old gratuity was limited to three months' pay for enlisted men discharged as private, trumpeter, or drummer, and only on his first reenlistment. The Navy, for a number of years, have had a different bonus. The Navy bonus was, generally speaking, four months' pay for every grade and for every reenlistment. This is now the bonus for the Marine Corps, what we are working under now, what we here estimate for. It is a very expensive bonus, and I believe that Gen. Lajeune has some ideas on that. The bonus system is a very desirable one in this respect, that it tends to keep the same trained men continuously in service; it develops a highly efficient military organization. On the other hand, if the regular service is to be a training school to run men through and let them return to civil life, and to create by such means a large reserve available for war, the bonus system does not facilitate that. In this respect it is not a desirable system from the stand-

point of the country, though desirable from the standpoint of the service.

Mr. KELLEY. Your enlisted men get four months' bonus when they reenlist, even if they have not served but two years?

Gen. RICHARDS. If they reenlist for four years, they get four months' bonus. If they reenlist for two or three years they receive proportionate benefits. However, two-year enlistments have now been stopped.

Mr. KELLEY. That was evidently a mistake. Nobody intended that a man reenlisting, upon the expiration of the two-year enlistment, should get four months' bonus.

Gen. RICHARDS. Well, as a matter of fact, something is due as a bonus if a man reenlists after two years. However, we have no men as yet reenlisting after two years.

Mr. KELLEY. But you will next year?

Gen. RICHARDS. Probably, sir. The four-months pay is not an absolutely settled proposition, as far as the Marine Corps is concerned, because no cases involved have yet come up; but the Comptroller of the Treasury has indicated that that would be his view.

Mr. KELLEY. But some one in the Navy Department passed on it. I don't know who it was.

Gen. RICHARDS. We have not actually had any cases.

Gen. LEJEUNE. The Navy started to enlist for two years before the Marine Corps did.

Mr. KELLEY. So that you will have about \$4,386,196.01 for pay of officers?

Gen. RICHARDS. Yes, sir. Of course, there is no difference in that respect, for the officers are paid on a different basis than the enlisted men.

PAY OF OFFICERS ON RETIRED LIST.

Mr. KELLEY. Now on the retired list?

Gen. RICHARDS. As far as the retired list is concerned, there have been quite a number of additional officers added to the retired list. That explains the \$75,021.25 increase. There is a slight deduction, because two or three have dropped out, making the net increase \$75,021.25.

Mr. KELLEY. Now this privilege of retirement is controlled entirely by statute?

Gen. RICHARDS. Controlled entirely by statute; yes, sir.

Mr. KELLEY. So that whether there are two or three major generals does not depend on this legislation at all?

Gen. RICHARDS. Absolutely not. It is general legislation that authorizes the officer to be placed upon the retired list for cause named in the law.

Mr. KELLEY. Then so far as this paragraph is concerned, all we need to say about it is "Pay of officers on the retired list prescribed by law," so much money?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. This is put in here as sort of advisory as to what it is for?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Now is the sum put down here, \$353,761.25, the amount of pay to which these officers are entitled exactly? The exact amount?

Gen. RICHARDS. Exactly; yes, sir. The exact amount.

Mr. KELLEY. Under the law?

Gen. RICHARDS. Yes, sir.

PAY OF ENLISTED MEN, ACTIVE AND RESERVE LIST.

Mr. KELLEY. Now can you put in the record a statement showing the number of men in each rating of the enlisted men?

Gen. RICHARDS. Yes, sir. I will file it here.

Memorandum showing distribution in grades of enlisted strength of Marine Corps.

	Number in each grade based on strength of 27,400.	Number actually in each grade on January 17, 1921.		Number in each grade based on strength of 27,400.	Number actually in each grade on January 17, 1921.
Sergeants major.....	73	76	Drum majors.....	2	4
Quartermaster sergeants.....	368	342	Marine bandsmen:		
First sergeants.....	413	266	Leader of band.....	1	1
Gunnery sergeants.....	399	288	Second leader of band.....	1	1
Sergeants.....	1,853	1,244	Principal musicians...	10	10
Corporals.....	3,303	1,732	First class musicians...	25	24
Privates, first class.....	5,071	1,995	Second class musicians...	20	28
Privates.....	15,211	16,604	Third class musicians.....	10	10
Trumpeters.....	320	289	Total.....	27,400	22,079
Drummers.....	320	7			
Apprentices.....		166			

Mr. KELLEY. There is not much that we shall lose by inserting too much in the record, is there? We do not want to get too much in the record, because it is more or less confusing to the average person, but if you will put in a statement just showing the different ratings, I think that will be sufficient.

Gen. RICHARDS. Yes, sir

Mr. KELLEY. Suppose you put in a statement showing the distribution of enlisted personnel as of some particular date; the last date available?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Because the number will not be greatly different next year. You understand, General, that we are not going to increase the number to be appropriated for?

Gen. LEJEUNE. You mean above what we have now?

Mr. KELLEY. Yes. That will be the outside figure. You understand that, don't you?

Gen. LEJEUNE. I didn't know what you were going to do. That is about the irreducible minimum. If you will give us that, we will try to fight it out.

Mr. BYRNES. Mr. Chairman, are you going into this statement of the pay of enlisted men here?

Mr. KELLEY. It is all prescribed by law. We could put this in the record if you like.

TRAVEL ALLOWANCE ON DISCHARGE.

Mr. BYRNES. There is only one thing here that I would like to ask about. There is no difference in this travel allowance on discharge, in the column estimating 27,400, and in the column estimating for 20,000 men. What is the explanation of that?

Gen. RICHARDS. The number that would be discharged during the year would be just the same, because those discharges come out of our present personnel; releases from our present personnel.

Mr. BYRNES. Those men are already enlisted? There would be no difference? That is the situation.

Gen. RICHARDS. That is the situation.

Gen. LEJEUNE. Every man that is discharged gets 5 cents a mile to his home.

PAY OF OFFICERS ON RETIRED LIST.

Mr. KELLEY. Just a few questions, going back to the officers again: Have you in mind the act under which the officers are put on the retired list?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. I wish you would please make a memorandum of that and put in the record a citation to the law.

Gen. RICHARDS. The different laws under which the officers may be retired?

Mr. KELLEY. Under which this appropriation that you are asking for, for retired officers, is based?

Gen. RICHARDS. Yes, sir. We will put in all those.

Mr. KELLEY. And also the same with reference to the officers.

Gen. RICHARDS. Yes, sir. Both for officers and enlisted men.

Mr. KELLEY. Yes. Every act which affects the pay of officers and enlisted men, making up your totals?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. You see what we want; we want to know that there is authority in law at the present time for every item of pay which you have included here either for officers on the active or retired list or for the enlisted men.

Gen. LEJEUNE. Why wouldn't it be a good idea to strike out all of that verbiage about retired officers and substitute "For officers retired pursuant to existing laws."

Mr. KELLEY. I think that would be better.

Gen. LEJEUNE. The number of retired officers is liable to change during the year.

Mr. KELLEY. The language of the bill could read "Pay of officers as allowed by law."

Gen. RICHARDS. That follows the Navy method. Now, the other item in the bill, that always appears there.

Mr. KELLEY. "Pay of retired officers as allowed by law."

Gen. RICHARDS. Yes, sir. There ought to be some uniformity there. There is no reason for specifying each grade, because as a matter of fact when we get into the year, the grades are very different from what are specified in the estimates within eight months before.

Mr. KELLEY. That is the way it is accepted on the retired list, and you then go ahead and detail how many of each rank.

Gen. RICHARDS. Yes, sir. If we could change that law so that it reads "Officers on the retired list, as prescribed by law," it would be better.

Mr. KELLEY. Well, I think it would be well to put into the record the legal authority which is the result of these figures; the base pay; longevity; bonus, and all that kind of thing.

Gen. RICHARDS. Yes, sir; I will do that.

Mr. KELLEY. Then, we will know just how these figures are made up, and by what legal authority.

Gen. RICHARDS. Yes, sir; I will do that, Mr. Chairman.

COST OF MAINTENANCE FOR FORCE OF 27,400.

Mr. KELLEY. Now, after we fix the number of men, then it is a question of mathematics to determine the amount.

Gen. RICHARDS. Mathematical calculation, and for your assistance I have here prepared the cost of maintaining the Marine Corps, in so far as the pay is concerned, based on estimates for the fiscal year ending June 30, 1922, for a strength of 27,400, giving the cost per man, the cost per 100 men, the cost per 500 men, and the cost for 1,000 men, so that in reductions you can apply that to it. But if you go to figuring on an average of 20,000, I have built that up from the bottom.

Cost of maintaining a marine, based on estimates for the fiscal year ending June 30, 1922, for a strength of 27,400 men under "Pay, Marine Corps."

Items.	Estimated, 1922.	Cost per—			Per capita cost.
		1,000 men.	500 men.	100 men.	
Officers:					
Active list.....	\$4,386,196.01	\$160,080.00	\$80,040.00	\$16,008.00	\$160.08
Retired list.....	353,761.25	12,910.00	6,455.00	1,291.00	12.91
Enlisted men:					
Active list.....	18,408,680.50	\$62,390.00	281,180.00	56,286.00	562.36
Retired list.....	210,822.60	7,690.00	3,845.00	769.00	7.69
Undrawn clothing.....	25,000.00	910.00	455.00	91.00	.91
Mileage.....	150,000.00	5,480.00	2,740.00	548.00	5.48
Commutation of quarters.....	212,500.00	7,760.00	3,880.00	776.00	7.76
Civil force.....	146,711.28	5,380.00	2,675.00	535.00	5.35
Total.....	20,933,671.64	762,540.00	381,270.00	76,284.00	762.54

Mr. KELLEY. So that the proportions will hold as at present organized?

Gen. RICHARDS. Well, of course, if you would take the figures for 27,400 and cut off a thousand, a thousand, a thousand each time, when you get down to the bottom you might have something left because of the overhead. When I start to figure on the cost in pay of 27,400 men or 20,000 men I build that up from the bottom.

Mr. KELLEY. That is, you built it up with the proper number in each rating?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. And each thousand is built up the same way?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. So that if we want to take some off of these 20,000, it would be proportionate?

Gen. RICHARDS. It would be proportionate up to a certain limit, but if you go very far it is just like shooting at a mark. You might miss it an inch at 100 yards, but at 1,000 yards you would miss it probably several feet, so I have figured both ways.

Gen. LEJEUNE. The more reenlisted men, the greater the rate of pay. That is another thing to be taken into consideration.

Mr. KELLEY. Yes. Now, from your figures here I see that the pay, on the basis of 20,000, is \$11,681,025.76?

Gen. RICHARDS. That is correct.

Mr. KELLEY. The increase over the amount appropriated last year for this item is due to the increased pay?

Gen. RICHARDS. It is due to a variety of things. Not due to increased pay alone, Mr. Chairmaan. The act of May, 1918, did increase the rate of pay of all grades above private 20 per cent. This was continued by the Army organization act to all enlisted men above the grade of private. The naval appropriation act of June 24, as the comptroller understands, extended this same gratuity or bonus for reenlisted men, as provided for the Navy, and that produced some increase.

BONUS.

Mr. KELLEY. In this \$11,681,025, how much of the bonus have you figured for the men who have served but two years? Have you figured the four months' bonus if they reenlist for four years?

Gen. RICHARDS. It was just an average based upon our experience. I can give it to you exactly here. The total amount of gratuities that are in there for reenlistments amount to \$280,000.

Mr. KELLEY. But you do not know just how you figured that, whether you figured that the two-year men, if they reenlisted for four years, got the four months' bonus, or not.

Gen. RICHARDS. We did not have much history to base that on. It was more or less of an estimate.

Mr. KELLEY. But the Bureau of Supplies applying the principle that a man who served two years gets two months gratuity, no matter for what length of time he reenlisted—

Gen. RICHARDS. Yes, sir. Should Congress enact a provision that honorable discharge gratuity should not be paid for reenlistments following an honorable discharge from a period of service of less than four years, the estimate of \$280,000 for honorable discharge gratuity can be reduced to \$142,000, a decrease of \$138,000. There were other things, I might say there, that affected that difference. The death gratuities of six months' pay that were authorized last June; that is, six months' pay for the widow or the next of kin of enlisted men who died during the service.

Mr. BYRNES. That also served to increase the amount, then?

Gen. RICHARDS. That also served to increase the amount. They are all in this report, that I intend to file as a part of this hearing.

ADDITIONAL COMPENSATION FOR ENLISTED MEN.

Mr. KELLEY. You will notice that in the pay of the enlisted men, as you go down through there, "Additional compensation for enlisted men," qualified as expert riflemen.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. I want the legal authority for giving them extra pay. I do not want you to give it now, but you can set it forth for each class.

Gen. RICHARDS. I would like to speak about the merits of that also.

Mr. KELLEY. No; we do not care about the merits. It is all right, but I want the legal authority.

Gen. RICHARDS. Yes; I will put that in the record.

EXPENSE OF CLERKS TRAVELING UNDER ORDERS.

Mr. KELLEY. For the expense of clerks of the United States Marine Corps, traveling under orders. By what authority do you pay them for that?

Gen. RICHARDS. There is a law that is the authority for this. I will specify it in extending my remarks.

Mr. KELLEY. That is what I want to know, if those occur only from year to year.

Gen. RICHARDS. There is an item of a thousand dollars covering that. It is only for civilian clerks who travel.

Mr. KELLEY. Then, of course, it would not be a permanent law. If it has to be reenacted every year, it is not a permanent law, and we would not have authority to put it in this year. If it is some act that has been passed at some previous time, saying that hereafter it shall be allowed, it does not have to be included; but if it is something that is to be appropriated for every year, and carried in the language of the bill, then there would be no existing law making it possible for us to cover that this year.

Gen. RICHARDS. Each one of these words in this item has its foundation or authority, I believe, in the general statute. I am reasonably satisfied as to that. The particular statute will be put in later as a part of my hearing.

Mr. KELLEY. Running through every one of these paragraphs?

Gen. RICHARDS. Yes, sir.

LEGAL AUTHORITY FOR VARIOUS ALLOWANCES.

Mr. KELLEY. Wherever you have calculated any money, either for pay of the officers or for men or for any reason whatever, will you please cite the authority in law by which that allowance is made?

Gen. RICHARDS. Yes, sir. I think that most of those laws were mentioned in the estimate sheets that were written. That is, the date of it. In the Book of Estimates you will find them all, but that does not matter. I will put them in now as a part of this hearing.

Mr. KELLEY. That is very important here.

HEADQUARTERS MARINE CORPS.
Washington, January 24, 1921.

[Memorandum showing reference to permanent statutes fixing pay and allowances of officers and enlisted men of the Marine Corps as now provided for in the Naval Appropriation Act under "Pay, Marine Corps."]

1. The item "For pay and allowances prescribed by law for all officers on the active and reserve list" is provided for in the following statutes:

Base pay assimilated with Army.—Section 1612. Revised Statutes: Act May 11, 1908 (35 Stat., 108-110); act June 24, 1910 (36 Stat., 625); act March 3, 1911 (36 Stat., 1044); act June 3, 1916 (39 Stat., 166 et. seq.); act August 29, 1916 (39 Stat., 611).

Longevity.—Section 1262, Revised Statutes; section 1263, Revised Statutes.

Leave.—Section 1265, Revised Statutes—Army act May 11, 1908 (35 Stat., 108-110).

Additional pay, foreign service.—Act March 2, 1901 (31 Stat., 903); act March 3, 1901 (31 Stat., 1108); act June 30, 1902 (32 Stat., 512). Warrant officers: Act March 4, 1917 (39 Stat., 1188); act May 11, 1908 (35 Stat., 110).

Additional pay, sea duty.—Act March 3, 1915 (38 Stat., 948).

Pay for mounts.—Act May 11, 1908 (35 Stat., 108).

Pay, aviation duty.—Act March 4, 1913 (37 Stat., 892); act March 3, 1915 (38 Stat., 939); act August 29, 1916 (39 Stat., 582).

Temporary bonus.—Act May 18, 1920 (Public 210, 66th Cong.) (41 Stat., 601).

Pay as aide.—Section 1612, Revised Statutes; section 1261, Revised Statutes—act May 11, 1908 (35 Stat., 108).

Retainer pay of reservists.—Act August 29, 1916 (39 Stat., 593).

Lost personal property.—Act October 6, 1917 (40 Stat., 389).

Death gratuities.—Act June 4, 1920 (41 Stat., 824).

Maintenance allowance.—Act July 11, 1919.

2. The item "for pay of officers prescribed by law on the retired list and for officers who may be placed thereon during the year * * *," including such increased pay as is now or may hereafter be provided for retired officers regularly assigned to active duty," is provided for as follows: section 1274, Revised Statutes; section 1622, Revised Statutes: section 1612, Revised Statutes; act June 12, 1906 (34 Stat., 245); act August 22, 1912 (37 Stat., 350); act August 29, 1916 (39 Stat., 612); act May 12, 1917 (40 Stat., 48); act July 1, 1918 (40 Stat., 735).

3. The subhead "pay of enlisted men, active and reserve list" is made up of many items, most of which are provided for by permanent statutes, as follows: (2) "Pay and allowances of noncommissioned officers, musicians, and privates, as prescribed by law," are provided for in the following statutes:

Base pay assimilated with Army.—Section 1612, Revised Statutes; act May 11, 1908 (35 Stat., 108 et seq.); Army reorganization act of June 4, 1920 (41 Stat., 759 et seq.).

Longevity pay.—Assimilated with Army by section 1612, Revised Statutes; act May 11, 1908 (35 Stat., 108, et seq.); Army reorganization act of June 4, 1920 (41 Stat., 759, et seq.).

Temporary increase 20 per cent above grade of private, first class.—Section 1612, Revised Statutes; pay increase act of May 18, 1920 (41 Stat., 601 et seq.); Army reorganization act of June 4, 1920 (41 Stat., 759, et seq.).

Active duty and retainer pay. Marine Corps Reserve.—Act August 29, 1916 (39 Stat., 593); section 1612, Revised Statutes act of June 4, 1920 (41 Stat., 829).

Twenty per cent additional pay for foreign service.—Act March 2, 1901 (31 Stat., 903); act March 3, 1901 (31 Stat., 1108); act June 30, 1902 (32 Stat., 512); act August 24, 1912 (37 Stat., 576).

Twenty per cent additional pay for sea service.—Act March 3, 1915 (38 Stat., 948).

Additional pay for aviation duty.—Act March 4, 1913 (37 Stat., 891); act March 8, 1915 (38 Stat., 939); act August 29, 1916 (39 Stat., 582).

Maintenance allowance.—Act July 11, 1919, under "Pay, miscellaneous, Navy (—Stat., —).

Honorable discharge gratuities.—Act June 4, 1920 (41 Stat., 836); act August 22, 1912 (37 Stat., 331).

Death gratuity (Six months to widow or designated beneficiary).—Act June 4, 1920 (41 Stat., 824).

Additional pay—Marine Band (\$4 per month for playing at White House and public grounds).—Act August 18, 1856.

Medals of honor, distinguished service medals, and crosses.—Act February 4 1919 (40 Stat., 1056).

Pay of specialists.—Section 1612, Revised Statutes; Army reorganization act June 4, 1920 (41 Stat., 761).

Recruiting sergeants and corporals.—Section 31, act February 2, 1901 (31 Stat., 756); act June 12, 1906 (34 Stat., 242), applied to Marine Corps by comptroller's decision of August 8, 1907 (14 Comp., 59).

Commutation of quarters (enlisted men).—Section 1612, Revised Statutes; Army appropriation act March 4, 1915 (38 Stat., 1069):

(b) "And for the expenses of clerks of the United States Marine Corps traveling under orders" is provided for in the act of June 16, 1874 (18 Stat., 72).

(c) "And including additional compensation for enlisted men of the Marine Corps qualified as expert riflemen, sharpshooters, and marksmen" is provided for in section 1612, Revised Statutes; act May 11, 1908 (35 Stat., 108 et seq.).

(d) "Gun captains, gun pointers." No permanent statute relating to Marine Corps. Was legalized for Navy by act of May 13, 1908.

(e) "Cooks," permanently provided for in act of March 2, 1907 (34 Stat., 1200).

(f) "Messmen, signalmen, or holding good conduct medals, pins, or bars." No permanent statute relating to Marine Corps, was legalized for Navy by the act of May 13, 1908.

(g) "Including interest on deposits by enlisted men," permanently provided for in act June 29, 1906 (34 Stat., 579); act February 9, 1899.

(h) "Post exchange debts of deserters" section 37, act July 28, 1866 (14 Stat., 337).

(i) "And the authorized travel allowance of discharged enlisted men" is provided for in act February 28, 1919 (40 Stat., 1203).

(j) "And for prizes for excellence in gunnery exercise and target practice." No permanent statute, first provided in appropriation act June 29, 1906 and subsequent appropriations.

(k) "And for pay of enlisted men designated as Navy mail clerks and assistant Navy mail clerks, both afloat and ashore," is permanently provided for in act May 27, 1908 (35 Stat., 417); act August 24, 1912 (37 Stat., 560); act March 4, 1917 (39 Stat., 1188).

4. The subhead "For pay and allowance prescribed by law for enlisted men on the retired list, and for those who may be retired during the year," is permanently provided for in section 1612, Revised Statutes; act March 3, 1899 (30 Stat., 1042); act September 30, 1890 (26 Stat., 504); act March 2, 1907 (34 Stat., 1217); act March 16, 1896 (29 Stat., 62).

5. "Undrawn clothing: For payment to discharged soldiers for clothing undrawn," authorized by section 1612, Revised Statutes, and section 37, act July 28, 1866.

6. "Mileage: For mileage to officers traveling under orders without troops," authorized by act June 10, 1896 (29 Stat., 376); act June 30, 1876 (19 Stat., 65).

7. "For commutation of quarters of officers on duty without troops, where there are no public quarters," authorized by section 1612, Revised Statutes; Army act March 4, 1915 (38 Stat., 1069).

8. The remainder of "Pay, Marine Corps," relating to "Pay, civil force," is not provided by permanent statutes, but carried from year to year in the appropriation act. It was first provided for in the Naval appropriation act of July 26, 1886.

9. The words "and the money herein specifically appropriated for pay of the Marine Corps shall be disbursed and accounted for in accordance with existing law as pay of the Marine Corps, and for that purpose shall constitute one fund" have been repeated in each appropriation act since July 19, 1892.

Mr. KELLEY. Now, the next item goes out altogether—the authorization.

Gen. RICHARDS. When this act was passed a year ago, increasing the pay, there was a provision made to take care of the expenses of that for the years during which it was to be applied. I mean, the act of May 18, 1920.

Mr. KELLEY. To July 1, 1920?

Gen. RICHARDS. Yes, sir; now as far as the last fiscal year is concerned, we have no need to draw upon any of this surplus. In fact, we had left over on the pay of last year an item of \$200,000 that was not spent. When it comes to this year, however, the situation is very different.

Mr. KELLEY. No appropriation had been made to take care of the increase?

Gen. RICHARDS. No appropriation was made to take care of the increase, but Gen. McCawley reported to us that he had a balance of about \$8,000,000 maintenance that was available, under the terms of the law, the act of May 18, as this sum was available to cover deficit for this year. It was for that reason that no deficiencies were set forth at this time for the consideration of the proper committee, in so far as pay was concerned.

Mr. KELLEY. Otherwise you would have had a deficiency of an amount equal to the difference between what they had last year and what they had this year, on the basis of the same number of men?

Gen. RICHARDS. Yes, sir; now, I would like to put into the record something in connection with that situation. Recently the Treasury Department decided that the pay of the Navy and the pay of the Marine Corps were likewise available to cover the expenses that arose in the Army in connection with the increased pay that was then granted to the Army by the same law, the act of May 18, 1920.

Mr. KELLEY. I think there was a provision in the law to that effect.

Gen. RICHARDS. There was a provision in the law to that effect, and the Comptroller of the Treasury ruled to the same effect. Now the Army has not asked for any transfer of this fund, but if they do that may take that \$8,000,000 away from us. Now, we need a part of that \$8,000,000 difference at the end this year to balance our appropriation: to take care of the men that are now in the corps.

Mr. KELLEY. There would not be any funds that we could take from you, which you would need yourself?

Gen. RICHARDS. That is the point I want to make. I want it understood that while at the end of this fiscal year we may exceed the amount that was appropriated by \$1,800,000 or it might be \$2,000,000—there is a sum of \$8,000,000 under maintenance, 1920, all available, from Gen. McCawley's appropriation, ample to cover whatever deficit may arise after next June.

Mr. KELLEY. This \$8,000,000 that you speak of that Gen. McCawley had was in excess as of what date?

Gen. RICHARDS. June 30, 1920. No deficit can be actually determined, officially, by the Treasury for two years. The surpluses are covered into the Treasury on June 30, 1922, for appropriations for 1920.

Mr. KELLEY. But is it available for anything now?

Gen. RICHARDS. It is reported as available for this year, at least.

Mr. KELLEY. I thought you made it available only for that portion of the year—of the current year—namely, until July 1, 1921.

Gen. McCAWLEY. Even so, it would still be available up to July 1, 1921.

Mr. KELLEY. Not for anything?

Gen. McCAWLEY. No; only for the increase in pay and not beyond that date. It is only for this fiscal year. At least, that is my understanding.

Mr. KELLEY. Is it your understanding that you can use that balance for the payment of men in the Marine Corps during this year?

Gen. McCAWLEY. For increase of salaries only. Anything due to the increase of salaries provided for by Congress in the act of May 18 would seem to be payable from this balance.

Mr. KELLEY. As long as that money is available?

Gen. McCAWLEY. Only until the end of this year.

Mr. KELLEY. Well, I say as long as that money is still in your hands.

Gen. McCAWLEY. Yes; that is the way I understand it. It is the concluding paragraph of that act.

Gen. RICHARDS. I have the act right here. I also have the comptroller's ruling under that act. The act was that the appropriation "Pay for the Navy in 1920" and "Pay, Marine Corps, 1920," are made available "for any of the expenditures" so authorized, whether they relate to the Army or to other establishments enumerated in

the act, and such appropriations, in the absence of any appropriation to the contrary, are available for payments of items of such expenses which, in the absence of section 15, would be classed under appropriations as follows:

1, 2, 3, and 5. Pay of the Army.

4. General appropriations, Quartermaster Corps (subsistence of the Army).

6. General appropriations, Quartermaster Corps (incidental expenses).

(b) If the additional pay and allowances herein authorized for the Army are payable for the appropriations "Pay of the Navy, 1920," or "Pay, Marine Corps, 1920," will such appropriations be available for payments covering any period subsequent to June 30, 1920, in the absence of any appropriations to the contrary.

The comptroller said:

A definite answer to question (b) must be delayed until after the appropriations for the fiscal year 1921 shall have been made, or until after recess or adjournment of the present session of Congress.

Mr. BYRNES. What date was that?

Gen. RICHARDS. It was May 27, 1920. The appropriation act was made later, June 4, 1920.

Mr. KELLEY. Now, last year we appropriated for 20,000 men, on the old pay basis.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Suppose we appropriate for 20,000 men on the new pay; is it your contention that a part of this \$8,000,000 could be used to pay those men?

Gen. RICHARDS. No, sir. I do not contend that at all. I contend that as far as the current year is concerned, and I say that ends June 30, 1921, that that \$8,000,000 is available to satisfy any deficiencies in pay that may arise by reason of the provisions which were contained in the act of May 18, 1920.

Mr. BYRNES. And that he accepts for such deficiency.

Mr. KELLEY. It is not clear in my mind yet. Gen. McCawley had last July a surplus in that fund of \$8,000,000?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Now, under this pay act, any surplus fund could be used to pay any additional expense incurred by that act.

Gen. RICHARDS. Yes, sir; the act of May 18.

Mr. KELLEY. For how long a time?

Gen. RICHARDS. Well, it would not be necessary for us to use it after June 30 next, because in so far as this particular appropriation we are now making up is concerned, this increase is going to be provided for, for it is in our estimates.

Mr. BYRNES. But up until what time?

Gen. RICHARDS. During the life of the act of May 18, 1920, technically speaking. The life of that act—you granted this bonus to June 30, 1922..

Mr. BYRNES. But it was to be returned to the Treasury.

Gen. RICHARDS. The dates happen to coincide; the statute requires that surpluses go into the Treasury at the end of two years, so Gen. McCawley's \$8,000,000 will be returned June 30, 1922, when the bonus law expires.

Mr. KELLEY. We make an appropriation in this bill from July 1, 1921, to June 30, 1922?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Now, you ask for \$11,681,025.76?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. For the pay of the men during that year?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Now, that sum is about a million and a half more than the same number of men would have been paid under the old rates.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Why couldn't a part of this fund that you have accumulated be used to pay a part of that difference?

Gen. RICHARDS. It could, if you would make it clear in either the law or in your report that that was the intent of Congress in the act of May 18, 1920. The comptroller's view of the law is this—he answers that question:

A definite answer to question (b) must be delayed until after the appropriations for the fiscal year of 1921 shall have been made, or until after recess or adjournment of the present session of Congress.

The same applies, in my view, to appropriations for the year 1922.

Mr. BYRNES. On June 30 that money will go back to the Treasury unless we enact legislation appropriating this money for that purpose. That money will go back to the Treasury?

Mr. KELLEY. No. Here is the situation: The pay bill provided that any excess expense caused by that pay could be made out of any funds that these people had on hand, which was not to be turned back into the Treasury until the law required that it be turned back to the Treasurer.

Mr. BYRNES. It makes it available until expended?

Gen. RICHARDS. No.

Mr. BYRNES. I understood that this law expired on June 30.

Gen. RICHARDS. 1922; yes, sir.

Mr. KELLEY. If you have a surplus of \$8,000,000 on hand, we will not need to appropriate; we could reduce this appropriation about \$3,000,000 and use the entire \$8,000,000 surplus. Oh, no, I am wrong about that. Only that portion which is excess.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Then we could appropriate here just the amount that we did last year and have the excess paid out of this \$8,000,000 appropriation.

Gen. RICHARDS. Yes, sir; you could do that if it be made clear that such was the intent of the act of May 18.

Mr. KELLEY. And you would just as soon we would do that?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. There is no use appropriating \$11,000,000 and have you turn back at the end of the next year a surplus to the Treasurer amounting to \$8,000,000.

Gen. RICHARDS. No, sir.

Gen. McCawley. I did the same thing yesterday when before Mr. Good's subcommittee on deficiencies. I am turning back \$13,000,000 of the 1919 money, and I asked them to reappropriate some of that to take care of deficiencies that we will have this year.

Mr. BYRNES. I see no reason why you could not do it.

Mr. KELLEY. That is why the comptroller left that open. That is, if we appropriate enough money to pay for this year, he would have to come back and ask for more money. Now, if you will inquire specifically whether or not we can deduct the excess pay which the same number of men would receive this year, from this appropriation, and have it paid out of this excess fund of \$8,000,000, why couldn't we do that?

Gen. McCAWLEY. Then I could give you \$8,000,000 more of 1919 after deducting the \$5,000,000 deficiency I am asking for, if you want to take cognizance of it.

Mr. KELLEY. What could we use that for?

Gen. McCAWLEY. Anything that you choose. It is the amount going back to the Treasury on the 1st of July. I have asked them to appropriate less than \$5,000,000 for deficiency estimates.

Mr. KELLEY. Under the language used here, if we do not use this, it is available for the Army.

Gen. RICHARDS. Yes, sir; that is a fact.

Mr. BYRNES. The difference does not equal that, because there are some other things that exceed these increases.

Gen. RICHARDS. But this all came in—it all comes in under this act.

Mr. KELLEY. We can go back and apply a part of that \$8,000,000 to the increase of officers' pay?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. And appropriate the same amount that we did last year.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. And let him make up the difference out of the balance.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. You will make sure of that, will you, General?

Gen. RICHARDS. Yes, sir; I am going to look that up and give you an answer. If there is any need of any further phraseology to make that intent clear, I will try and advise you of that.

Mr. KELLEY. Theirs could be used for the pay of the officers and men only?

Gen. RICHARDS. The increases; yes, sir.

Mr. KELLEY. Occasioned by that act.

Gen. RICHARDS. Yes, sir; they are quite considerable.

Mr. KELLEY. The increase in pay, I presume, would eat it up?

Gen. RICHARDS. For everything in the nature of increases that was in that law of May 18, 1920; yes, sir.

PAY ALLOWANCES FOR ENLISTED MEN ON RETIRED LIST.

Mr. KELLEY. The next is for "Pay allowances prescribed by law of enlisted men on the retired list," and the number follows there.

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. We will take that up.

Gen. RICHARDS. Yes, sir; that can be changed to general terms.

MILEAGE.

Mr. KELLEY. "Mileage," for mileage for officers traveling under orders without troops.

Gen. RICHARDS. We are cutting that down a little, sir. That is very carefully watched. There is no order issued except that which bears the specific authority of the Secretary of the Navy. The mileage rate is, as you know, fixed by the general statute.

UNDRAWN CLOTHING.

Mr. KELLEY. I beg your pardon. I unintentionally skipped the item of "Undrawn clothing."

Gen. RICHARDS. Undrawn clothing we estimate \$25,000. The undrawn clothing represents what is saved out of the soldier's specific clothing allowance, which is prescribed—so many garments allowed. During the war the table of allowances was suspended and the clothing was issued in kind, so no savings were realized. We are now going on the old method, with savings.

Mr. KELLEY. Of allowing them credit?

Gen. RICHARDS. Yes, sir.

Gen. McCawley. Is this going to be enough for this year?

Gen. RICHARDS. I think it will be enough. There are very few discharges of men with very little saved.

Mr. KELLEY. The meaning of this is that you credit a soldier with a certain allowance, and then he draws that from time to time and buys his own clothing from the general store?

Gen. McCawley. No. He has had issued to him certain clothing, and that is charged against him on that allowance of clothing, which we reduced to a money value.

Mr. KELLEY. If he does not draw it all, the balance is paid to him in cash?

Gen. RICHARDS. Yes, sir; it is paid to him in cash.

Mr. KELLEY. And \$25,000 is the amount needed for the entire fiscal year, for the entire service?

Gen. RICHARDS. Yes, sir. I will explain this point here: This has been heretofore as high as \$200,000, previously appropriated. It is down very low now, because there has been no saving, only the saving accumulated before the war.

Gen. LEJEUNE. The highest was \$185,000. The adopting of the clothing allowance will cause a good deal of saving. If you give a man his clothes gratis, he becomes careless. He will lose them or sell them. If you put him on an allowance, he will try to take better care of them.

Mr. KELLEY. How much of an allowance is he entitled to?

Gen. McCawley. We prescribe certain articles of clothing that we think he ought to have. Then we reduce that to a money value, depending on the actual cost of those clothes at the time they were made. Of course, clothing is much higher now than it formerly was.

Gen. RICHARDS. Where a man has to have an overcoat and everything that goes with it, as the price comes down the amount comes down. The first year his allowance is \$136.

Mr. KELLEY. Is it more or less after that?

Gen. LEJEUNE. It is less.

Gen. McCRAWLEY. Because he has such things that are supposed to last all through his enlistment. He does not get a renewal of those.

Mr. KELLEY. If you issued him a suit of clothes, whenever he wore out the old one, he was not very careful about it?

Gen. RICHARDS. Not at all. The responsibility is on the men now.

Gen. McCRAWLEY. It cost the Government a great deal of money during the war, where the Government was the owner of the clothing. This gives the soldier an incentive to save.

COMMUTATION OF QUARTERS.

Mr. KELLEY. For commutation of quarters, \$212,500, you are asking for the same amount?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. Make a statement about that, please.

Gen. RICHARDS. This covers cases where quarters are not available—particular condition of officers serving without troops where quarters are never available. Officers on detached duty, where the Government owns no quarters are not serving with troops. That allowance is one prescribed by law.

Mr. KELLEY. What would be an illustration of that, an officer not serving with troops?

Gen. RICHARDS. Officers on duty in cities, on recruiting or other detached duty. I will say it is possible that a reduction may be made in this figure, if we follow the policy that you announced at the beginning of the hearing, that is to say if the recruiting service is to be discontinued. We have had numerous officers on recruiting duty. But there are other cases like the Depots of Supplies, Headquarters Marine Corps. There are no quarters owned by the Government, and commutation is necessarily allowed.

Mr. KELLEY. What recruiting officers take care of the recruiting office? Would that be the largest item?

Gen. RICHARDS. No, sir. Taking care of the recruiting officers is quite an item in there, and if there will follow, during the year, a material reduction in recruiting stations, where such officers are now located, that figure might be reduced.

Gen. LEJEUNE. It will have to be increased in the Quartermaster's estimates, because the officers will have to be provided either with quarters or commutation. All of our quarters are full, and you do not gain anything in actual money by the transfer of officers from recruiting duty. It does not matter whether the item is in the Paymaster's or in the Quartermaster's estimates.

Mr. KELLEY. If he was on detached duty, and not with troops anywhere, you would not have to have any appropriation?

Gen. RICHARDS. If there was no house for him, he would still get commutation, though it would not be charged up to this particular item, but would be charged to maintenance. It is the same thing. But I will examine that and see if it can be reduced.

Mr. KELLEY. Very well. See if you had calculated enough in there, with this idea in view.

PAY OF CIVIL FORCE.

Gen. RICHARDS. Yes, sir; I will do that.

Civil force is the next item, \$146,711,028, which was the same as last year.

Mr. KELLEY. This is the office force down here?

Gen. RICHARDS. This is the force not only here in Washington, but at other administrative stations elsewhere.

Mr. KELLEY. I wish you would all the while, as you go through the bill, to-night or to-morrow, have in mind the legal authority.

Gen. RICHARDS. Yes, sir; I shall not forget that.

Mr. KELLEY. As a rule, the expenses of all departments in Washington are borne out of the legislative, executive, and judicial bill.

Gen. RICHARDS. Yes, sir; but the Marine Corps has always had that in the naval act; we are unique in that respect.

Mr. KELLEY. Find out how you get your authority to pay your civil force.

Gen. RICHARDS. Yes, sir; I will do that.

Mr. KELLEY. Any authority by which you can pay civil employees.

Gen. RICHARDS. Yes, sir. It has always been with us, as far as I can remember.

Gen. McCAWLEY. We have never known it to be anywhere else, except in the naval bill.

Gen. RICHARDS. We can find the beginnings of it.

Gen. LEJEUNE. The bulk of the clerks have been enlisted men, practically all of them in fact. During the war we took in a lot of reserves, and they have since become civil service employees, and you have appropriated \$100,000 a year for the last two years, to pay this force. Now, it is in the line of economy and efficiency to substitute for quite a large proportion of the enlisted men these civil service clerks. It is just a plain matter of dollars and cents. It costs the Government less, that is all.

Mr. KELLEY. Well, we will reach that directly. General, by what authority do you know about the salaries—have they been increased lately?

Gen. RICHARDS. They have been increased by different bills.

Mr. KELLEY. This is on page 106, but I was wondering when these were fixed.

Gen. LEJEUNE. They have been fixed at different times. The salaries have been changed from time to time.

Mr. KELLEY. Well, you say the salaries have been changed in this bill from time to time?

Gen. RICHARDS. From year to year.

Mr. KELLEY. It is good for only one year?

Mr. BYRNES. Yes. There is no chance for an appointment unless it is something like the agriculture in 1914. Most of these bills have a clause which provides that this shall be the law hereafter, and of course it gives statutory authority to every salary fixed in the appropriation bill, and it helped these bills a whole lot.

Mr. KELLEY. The same thing is true of our salaries in the Naval Academy, where the salaries are fixed by the appropriation bill, and we will have to be careful about this.

Gen. RICHARDS. Yes; I understand.

Mr. KELLEY. If you will find out how these salaries are fixed, we will appreciate that.

Gen. RICHARDS. Yes; I will give you the history of it.

Gen. McCAWLEY. How should this be taken care of?

Mr. BYRNES. The only way it can be taken care of is if somebody over there in the Naval Affairs Committee sees it and he makes a point of order—the only way that we could take care of it is to ask that committee over there to legislate on the subject.

Gen. LEJEUNE. Couldn't you get a rule?

Mr. KELLEY. Yes; but forewarned is forearmed.

Mr. BYRNES. I know; I wondered whether anywhere any of you gentlemen following it knew whether you had such a provision as the Agricultural Department have been wise enough to secure in 1914.

Gen. RICHARDS. No, sir; nobody ever thought of it.

Mr. BYRNES. It has always been subject to a point or order.

Gen. LEJEUNE. It has been in so long that nobody thought of it.

Mr. BYRNES. The Navy has been anxious to do it heretofore.

Mr. KELLEY. For the office of the major general commandant you are asking the same amount as last year?

Gen. RICHARDS. Yes, sir.

Mr. KELLEY. And the office of the paymaster, the amount is the same there?

Gen. RICHARDS. Yes, sir.

Mr. BYRNES. And that is true of the next two items?

Gen. RICHARDS. Yes, sir.

Mr. BYRNES. And office of quartermaster the same?

Gen. RICHARDS. Yes, sir.

Mr. BYRNES. And assistant quartermaster the same?

Gen. RICHARDS. Yes, sir.

Mr. BYRNES. Assistant quartermaster at Philadelphia the same?

Gen. RICHARDS. Yes, sir.

TEMPORARY EMPLOYEES.

Mr. BYRNES. Now, this is the one that Gen. Lejeune spoke about a while ago, "For temporary employees in offices at the Marine Corps headquarters at Marine Corps posts." What about that?

Gen. LEJEUNE. I would like to retain that, if there is any way it can be done.

Mr. KELLEY. That is clearly subject to a point of order.

Gen. LEJEUNE. If you had a rule to permit this to go through, and to strike out the word "temporary" and substitute "hereafter," that would enable us to keep these clerks.

INCREASE IN FORCE.

Mr. BYRNS. You say you wish to increase the civil force?

Gen. LEJEUNE. Yes; for clerical work, as substitutes for some of the enlisted men. Clerical work at Marine Corps headquarters before the war was nearly all done by enlisted men.

Mr. BYRNES. It is more economical?

Gen. LEJEUNE. Yes. I do not want to replace all of the enlisted men. There are certain ones who by reason of their technical ability should be retained at headquarters.

Mr. BYRNES. How much of this fund are you going to spend this year? All of it?

Gen. LEJEUNE. All of it. They are all employed now. They will all lose their positions unless this item is reenacted.

Mr. KELLEY. What are these people doing?

Gen. LEJEUNE. They are doing clerical work.

Mr. KELLEY. How many are there?

Gen. LEJEUNE. I think there are 80 or 85. They get \$1,200 or \$1,400 per annum.

Mr. KELLEY. And they were in there for some temporary reason?

Gen. LEJEUNE. Most of them are women. They were enrolled as reserve marines during the war. Then they were disenrolled and given a temporary status afterwards, they were transferred to the civil service. They are all civil service employees.

Mr. KELLEY. I remember this question was up some time before. The understanding was that shortly the need for them would be over.

Gen. LEJEUNE. If we got rid of them we would have to replace them by enlisted men. In other words, we would go back to the old system of having nearly all the work at headquarters done by enlisted men. I do not think it is a good system. I think we ought to have a certain proportion of enlisted men, but it is very difficult to get a sufficient number of clerks from among the enlisted men. Don't you think the provision will go through?

Mr. KELLEY. No; I don't think so.

SATURDAY, JANUARY 22, 1921.

MAINTENANCE, QUARTERMASTER'S DEPARTMENT—PROVISIONS,
MARINE CORPS.

Mr. KELLEY. We will go on with the Marine Corps this morning. The next item is "Provisions, Marine Corps." This year you were given \$4,244,498, and on the basis of 27,400 men you are asking for \$6,724,814. On the basis of last year how much would that be?

Gen. McCawley. If you will permit me to interject a remark there, Mr. Kelley, I might say that while we were granted an appropriation of \$4,244,498, we have deficiency estimates pending, or rather supplemental estimates pending under this head for the balance of the fiscal year amounting to \$2,040,848. The trouble is that in submitting these estimates from the headquarters of the Marine Corps to the Navy Department the Secretary of the Navy reduced the estimates before he submitted them to Congress, and he has done the same thing this year. For 27,400 men my original estimates, based on a 75-cent ration, were \$8,224,814; the Secretary of the Navy cut that to \$6,724,814.

Mr. KELLEY. Why did you want to base it on a 75-cent ration?

Gen. McCawley. At the time these estimates were submitted, last September, the ration was very much higher than it is now.

Mr. KELLEY. It was not 75 cents, was it?

Gen. McCawley. Oh, yes, indeed; the ration went up as high as 80 cents this year.

Mr. KELLEY. I thought you had the same ration as the Navy?
Gen. McCAWLEY. We have.

Mr. KELLEY. The Navy's ration is 68 cents.

Gen. McCAWLEY. That is what they based their appropriations on, and that is what I am basing my estimates on for next year; but the ration at times has been as high as 80 cents, and at the present time it is costing us about 70 cents.

Mr. KELLEY. Then the \$6,724,814, which you estimate you will need for this year, is based on what ration?

Gen. McCAWLEY. It is based on the 68-cent ration, but that figure is not mine, but one directed by the Secretary of the Navy for 27,400 men.

Mr. KELLEY. And the \$4,244,498 was based on—

Gen. McCAWLEY (interposing). On the 68-cent ration. But that was simply an arbitrary cut; that was not any figure that I suggested at all for the number of men, and the fact that it was not sufficient has caused these supplemental estimates.

Mr. KELLEY. What I am getting at is this: You have had to pay more than 68 cents for the last six months, and is not that what makes the deficiency necessary for the rest of the year?

Gen. McCAWLEY. Exactly.

Mr. KELLEY. If you had the same number of men, even on the 68-cent ration, the \$4,244,498 would be sufficient, that is, if you did not have to pay more than 68 cents next year.

Gen. McCAWLEY. No, sir; that was not enough on the 68-cent ration, that \$4,244,498; was not sufficient on that priced ration to carry us through.

Mr. KELLEY. Suppose you had been able to go all the way through at 68 cents instead of having to pay seventy-odd cents for the first six months, how much would your deficiency have been?

Gen. McCAWLEY. I will answer it in this way: That for an average of 20,000 men for the year, on the 68-cent ration, the estimates call for \$5,557,600, and that is the amount I would suggest be appropriated this year if you intend to appropriate for only 20,000 men which is my understanding.

Mr. KELLEY. On the basis of 68 cents?

Gen. McCAWLEY. Sixty-eight cents, and an average of 20,000 men. You see, the appropriations that were made last year for the Quartermaster's Department, totaling \$11,691,510, really represented an average of only about 13,000 men for the year, and that is the reason why we have had to come in for supplemental appropriations amounting to \$4,673,932. My original figures were cut first by the Navy Department and then by Congress, and we have never had enough money during the year to keep an average of 20,000 men, although Congress authorized us, in an informal agreement, to maintain that number of men during the year.

Mr. KELLEY. But you would not have that average during the year.

Gen. McCAWLEY. No, sir; not now, as recruiting has ceased.

Gen. LEJEUNE. We will have pretty nearly that average. We have had an average of 18,000 in the first six months, and I think if we keep an average of 22,000 men during the second six months it will make the average for the year about 20,000 men.

Gen. McCAWLEY. But we only had money for about 13,000 for the year.

Mr. KELLEY. Then the \$4,000,000 we appropriated would pay for only about 17,000, based on 68 cents?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. Unless you had a large stock on hand?

Gen. McCAWLEY. We were obliged to get rid of most of our stock. The Secretary of the Navy ordered all of our surplus stock sold.

Mr. KELLEY. He would not order you to sell what you would need during the year, would he?

Gen. McCAWLEY. No; but then there were certain things that we wanted to get rid of at once, in the way of perishable things. We only keep in the Marine Corps a stock on hand for about three or four months in advance, except tinned goods, and those we buy from pack to pack, so that we can get the advantage of the cannery's prices rather than the retailers' profit in addition to the cannery's prices.

Mr. KELLEY. You have now about your usual and normal stock on hand, have you?

Gen. McCAWLEY. Absolutely, sir. We have not to exceed a four months' stock of anything on hand except tinned goods, and I have directed that no purchases be made that will carry us in anything beyond the end of this fiscal year.

Mr. KELLEY. Just how do you determine that you ought to have as much as a four months' supply on hand? I suppose it is a matter of buying, and that it takes you about so long to consummate your purchases and get the stock on hand, but is there any special reason why you need to have as much as a four months' supply ahead?

Gen. McCAWLEY. No; that is just an arbitrary margin of safety that we think we ought to keep on hand for a corps so widely scattered as the marines are, and it is just to protect ourselves in the event of any conflagration or any loss at any one place, in which event we would have enough stuff on hand to furnish food for the men without waiting for new purchases to be made. I think that is a reasonable amount.

Gen. LEJEUNE. The shipments to the foreign stations are often greatly delayed; sometimes we go two months without a transport, making it necessary for these stations to keep a large supply on hand.

Gen. McCAWLEY. We always have a great deal of deterioration of provisions in the tropics, too.

Mr. KELLEY. This is just a straight matter of arithmetic in calculating it.

Gen. McCAWLEY. Entirely.

Mr. KELLEY. If you figure 68 cents for 365 days that means \$248.20, and if you divide that into the amount of the appropriation for last year it gives 17,260 men.

Gen. McCAWLEY. But that is not the way we have to do it.

Gen. LEJEUNE. A number of men draw commutation of rations, and in traveling they must be allowed funds to purchase their meals.

Gen. McCAWLEY. For an average of 20,000 men we have an average of 17,116 men drawing rations in kind at 68 cents.

Mr. KELLEY. Will you just repeat that?

Gen. McCAWLEY. For an average of 20,000 men we have 17,116 men drawing rations in kind at 68 cents; 830 men who are on com-

mutation status; recruiting parties, drawing \$2.25 a day; 495 men on a commutation status, clerks, messengers in staff offices, drawing commutation at the rate of \$1.59 a day, and then 1,559 men on board ship who are subsisted by the Navy, for whom no allowance is made, as they are subsisted by the Navy. In addition to that there are commutations for 1,003 noncommissioned officers above the grade of sergeant, provided for in the act of May 18, 1920, at 53 cents a day in addition to their other rations. That is the manner in which we have to estimate for 20,000 men. It is not 20,000 men at 68 cents all the way through; these commutations, which are very considerable in size, enter into it and really throw the average above 68 cents; but we based it all on that 68-cent ration.

Gen. LEJEUNE. There is a considerable loss in shipping rations to the tropics, because onions, potatoes, and other fresh vegetables frequently spoil.

Gen. McCAWLEY. Based on the amount I gave you just now, \$5,557,600, the analysis would be for rations in kind, \$4,719,400; subsistence while traveling, \$48,000; board and lodging, \$50,000; commutation to enlisted men on recruiting duty, \$331,641; commutation to enlisted men at posts, \$50,000; commutation to clerks and messengers in staff offices, \$200,000; additional rations for noncommissioned officers at 53 cents a day, under the act of May 18, 1920, \$66,159; ice machines and their maintenance, \$10,000; and the purchase of ice, \$82,400; that makes up the \$5,557,600. You see, there is quite a little analysis of that appropriation.

Mr. KELLEY. That amount of \$5,557,600 is on the basis of 68 cents, with these other additions?

Gen. McCAWLEY. Yes, sir; and for an average of 20,000 men.

Mr. KELLEY. With these other additions for special reasons.

Gen. McCAWLEY. These are all the things that must be paid out of, the appropriation, provisions; that is the way the appropriation provisions, is disbursed.

Mr. KELLEY. This 68-cent ration is your present ration, is it?

Gen. McCAWLEY. It is costing a little more than that now, about 70 cents. But prices are coming down, although we have not yet felt the full effect of the decrease in prices, because we are still eating our high-priced food.

Mr. KELLEY. You will get the benefit of any reduction in prices by the 1st of July?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. The decrease has been quite substantial during the last two or three months, has it not?

Gen. McCAWLEY. The decrease?

Mr. KELLEY. Yes.

Gen. McCAWLEY. Yes, sir. For your information I might read two or three cases, just to show you the reductions that have been made. For instance, bacon, which is one of the principal components of the ration, in June, 1920, cost 30½ cents a pound, and in January, 1921, that price had dropped to 25½ cents; that is a decrease of about 9 cents, or about 26 per cent. In the case of fresh beef, which is another component, the price has not dropped very much, that was 19.6 cents in June, 1920, and 18.4 cents in January, 1921, or a decrease of only little less than 3½ per cent.

Mr. KELLEY. Just before you leave the question of beef, I have here some prices on the Chicago market for January, 1920, and January, 1921. What did you pay in January, 1921?

Gen. McCawley. Eighteen and one-fourth cents.

Mr. KELLEY. This gives medium steers 15 cents and 17 cents.

Gen. McCawley. Of course, you must realize that the specifications as to beef for the service are much higher than for commercial beef; they require a heavier weight of cattle, and the specifications and the inspections are very severe, so that we do not get as low a price as you will find in the ordinary field of commerce.

Mr. KELLEY. There seems to be a difference in the various grades. The price for the best grade of prime native steers was a year ago from 25 cents to 26 cents, and that price is now from 23 cents to 24 cents.

Gen. McCawley. What do those steers weigh?

Mr. KELLEY. It does not give the weight.

Gen. McCawley. Our weight is prescribed at not less than 575 pounds. We have very wide competition for these articles of the ration and it is astonishing how close the bidding is.

Mr. KELLEY. On a falling market, such as you will probably have in connection with agricultural supplies, would you not think it might be advisable not to have as much as a four months' supply on hand?

Gen. McCawley. We do not keep beef on hand at all, sir.

Mr. KELLEY. You get beef on the market as you need it?

Gen. McCawley. We open bids on that every month; we only keep a stock on hand of provisions that will keep, like canned stuff or dried stuff, beans, and things of that kind. All of the fresh provisions are bought monthly. Beans we buy for some period of time, but potatoes, onions, beef, fresh pork, and such things as that, are bought under monthly contracts.

Mr. KELLEY. I notice that veal, a year ago in January, was 28 cents and it is now down to 22 cents.

Gen. McCawley. Our last price on veal was 18.9 cents.

Mr. KELLEY. So you bought considerably under the Chicago market?

Gen. McCawley. Yes, sir. Have you fresh pork in that list? In January, 1921, we paid less than 21½ cents for it.

Mr. KELLEY. Dressed hogs 18 cents, in January, 1921, and pork loins 25 cents.

Gen. McCawley. These are not the dressed hogs that we buy; we buy the cuts of fresh pork, which makes our price a little bit higher. But we have a reduction there of 25 per cent. Our last price for pork sausage, which was in January, was 19.7 cents.

Mr. Wood. You state that you have a specification that your beef must weigh so much.

Gen. McCawley. Yes, sir.

Mr. Wood. Sometime ago I noticed, in one of the investigations, that the department refused to accept a lot of meat because it did not come up to the specifications as to weight, and that was because they took off the hock and some portions of the bone, but the meat was first class. That was the only reason for rejecting it, because it did not come up to weight.

Gen. McCAWLEY. Of course, all of these specifications go into the hands of the bidders before they make their prices, so that they know exactly what they are bidding on.

Mr. WOOD. Does not your department exercise any judgment? Weight is not all they want is it?

Gen. McCAWLEY. No; there are very minute specifications as to the way in which the cattle shall be dressed, and I think the only thing that is cut off of our beef would be the hoofs; I think it goes right down to the hoofs, because they use the shinbones and all that part of the animal for soup.

Mr. KELLEY. You use a good deal of rice, do you not, and how does that price run?

Gen. McCAWLEY. Our price in January was 10 cents a pound, a reduction of 33 per cent over the last price in June, 1920, when it was 14.95 cents.

Mr. KELLEY. The sheet I have here carries fancy head rice, per pound in 1920, from 14 cents to 14½ cents and in 1921 from 7 to 7½ cents.

Gen. McCAWLEY. Our price is a little bit higher, probably due to quality. We do not use rice as much as we do beans. The price of beans in June, 1920, was 85.9 cents a gallon and in January, 1921, 51.7 cents a gallon, or a reduction of nearly 40 per cent.

Mr. WOOD. There is a greater reduction in beans now, because at one time during the war they were selling 3 pounds for a quarter, while now they are selling 6 pounds for a quarter.

Gen. McCAWLEY. Dried beans?

Mr. WOOD. Yes.

Gen. McCAWLEY. I suppose that was just the run of the market.

Mr. KELLEY. You use a lot of coffee.

Gen. McCAWLEY. Yes, sir. Green coffee was 21.9 cents per pound in 1920.

Mr. KELLEY. What is Rio Standard No. 7? Is that a good grade?

Gen. McCAWLEY. That is a cheap grade of coffee, but I really do not know much about those figures, because they are commercial terms.

Mr. KELLEY. Rio No. 7 was 15½ cents in 1920 and 6½ cents in January, 1921.

Gen. McCAWLEY. The coffee we use is Santos No. 4.

Mr. KELLEY. Take an item like lard.

Gen. McCAWLEY. The issue lard—I suppose that must be tub lard—was 16 cents in January, 1921, and in 5-pound tins was 25 cents per pound. How does that price compare?

Mr. KELLEY. This just gives lard per pound, in 1920, from 23.8 cents to 23.9 cents, and 13.75 cents to 13.88 cents in January, 1921.

Gen. McCAWLEY. Our price in June, 1920, for all issue lard was 23 cents.

Mr. KELLEY. You probably have a good bit of that on hand.

Gen. McCAWLEY. Not a great deal; not more than three or four months' supply, and that only in tins; we can not keep much of that because it deteriorates; it gets rancid and there is a good deal of loss on anything like that; lard, butter, sausages, and things of that kind deteriorate fast in the Tropics. Tub lard we purchase only for immediate use.

Mr. KELLEY. That would seem like a reduction of 30 or 40 per cent.

Gen. McCAWLEY. It is a reduction with us of 28 per cent in the issue lard.

Mr. KELLEY. What about flour?

Gen. McCAWLEY. In sacks, our last price on flour was 4 cents a pound.

Mr. KELLEY. And what last year?

Gen. McCAWLEY. 6½ cents.

Mr. KELLEY. That would be about 33½ per cent off?

Gen. McCAWLEY. There is a 36 per cent reduction there.

Mr. KELLEY. What about potatoes?

Gen. McCAWLEY. On potatoes our last price was 2.6 cents per pound as against 8.2 cents last June, a reduction of over 68 per cent.

Mr. KELLEY. Have you made a calculation, General, as to about what your ration will be after next July?

Gen. McCAWLEY. These figures are based on that, sir, on 68 cents.

Mr. KELLEY. Does it not seem as though it ought not to be as high as that, with the prevailing prices running off to 20, 30, and 50 per cent on these staple articles?

Gen. McCAWLEY. It is pretty hard for me to tell how much lower they are going, and I have made my figures exactly as the Navy made its figures, on the average cost of the ration being 68 cents, divided up in this analytical way that I have just read to you, and I am taking care of all the losses that must occur in rations. The losses on account of food spoiling in transit and in the tropics are very considerable and must be taken care of, although we have estimated on a straight price for it right through.

Mr. BYRNES. Have you stated whether you have averaged these reductions in order to arrive at a percentage of the reduction from January, 1920, to January, 1921?

Gen. McCAWLEY. I do not quite understand you.

Mr. BYRNES. What percentage have you deducted in order to arrive at this 68 cents?

Gen. McCAWLEY. Well, I am only figuring it on what the fact is.

Mr. BYRNES. What was it last year? At how many cents did you figure the ration last year?

Gen. McCAWLEY. We figured it at 68 cents, but that was not enough for it, nor were the appropriations sufficient for an average of 20,000 men at that figure.

Mr. KELLEY. I think they had quite a surplus, and I think that is the thing that made that difference, General, that we took into account the amount of surplus stock you had on hand.

Gen. McCAWLEY. And we did not have it.

Mr. KELLEY. And the recommendation of the Secretary reduced it, I have forgotten how much.

Gen. McCAWLEY. If we had had an average of 20,000 men during the last year the amount required would have been \$7,614,000.

Mr. BYRNES. But you did estimate the cost per man at 68 cents last year, just the same?

Gen. McCAWLEY. I did estimate on that basis, but it was reduced to \$4,244,498.

Mr. BYRNES. Did you have enough?

Gen. McCAWLEY. No, sir. We are in with a supplemental estimate for \$2,040,848.

Mr. KELLEY. That is based on 68 cents?

Gen. McCAWLEY. Yes, sir; that would make the total appropriation \$6,285,346; \$5,557,600 is what we are asking this year. So, I am taking into consideration the drop in the price of food.

Mr. BYRNES. A reduction of \$1,000,000, approximately?

Gen. McCAWLEY. Yes, sir; approximately.

Mr. KELLEY. That would be 16½ per cent below what you are using this year for the same number of men?

Gen. McCAWLEY. I think \$5,557,600 is a conservative estimate. If the price of food falls very fast, goes down, and we can buy the food cheaper, the money will go back into the Treasury.

Mr. KELLEY. What will be the price of the ration at this figure, \$5,557,600?

Gen. McCAWLEY. That is estimated at an average of 68 cents, taking into consideration all the loss.

Mr. KELLEY. Did you take into account the falling prices?

Gen. McCAWLEY. This is based on an average of 20,000 men rationed at an average of 68 cents. We have already spent over \$6,285,000.

Mr. KELLEY. Is not this an exact statement of the expenditures during the last six months, when you say you paid more than 68 cents?

Gen. McCAWLEY. Yes, sir; it is.

Mr. KELLEY. If you had been able to feed your men at 68 cents during the whole year, your deficiency of \$2,040,848, a part of it, at least, would not have been necessary?

Gen. McCAWLEY. That is quite true; but you must remember that we never had enough money to start with.

Mr. KELLEY. You are still calculating on 68 cents, which is the Navy ration at the present time?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. That is based on the average price that prevailed some three or four months ago, because you are still using food that you bought three or four months ago?

Gen. McCAWLEY. Yes, sir; but I expect to have exhausted all of that food by the 1st of July.

Mr. KELLEY. Having the goods bought, can you reduce the ration, say, to 58 cents?

Gen. McCAWLEY. I do not believe that we would have enough money then.

Mr. KELLEY. That will be 10 cents off of 68 cents, if you make the ration 58 cents; about 14 per cent.

Gen. McCAWLEY. Figured at 60 cents, the amount required would be for 20,000 men \$4,975,400, under the same analysis I have given you.

Mr. KELLEY. Assuming that you have not any more reserve than you think you ought to have?

Gen. McCAWLEY. No, sir.

Mr. KELLEY. If you ran your reserve down a little bit closer you could, of course, come inside that figure, and I was wondering if you could not get along with half of the same amount by running your reserve a little closer, and still not inconvenience you in the matter of buying?

Gen. McCAWLEY. I am perfectly frank in saying that I do not think we can do that. At the present time we are running with a strength of 22,000, which Gen. Lejeune tells you he will maintain.

until the 1st of July. I must buy food between now and the 1st of July. That will carry us into the next fiscal year. I must keep something ahead, I can not start buying on the 1st of July, I have to buy food in April and May to carry us into the first weeks or months of the fiscal year. That food will have to be purchased at the present prices, not very much lower prices than exist to-day. I do not believe we will have enough money. Those purchases will be made out of next year's appropriations, because this act will probably be in existence by the 4th of March. I do not believe that the money given us last year will carry us through and that will result in our coming before Congress with a deficiency next year, which I very much like to avoid. I suppose you gentlemen do also.

Mr. KELLEY. We want to give you enough money to feed the men.

Gen. McCAWLEY. The Secretary of the Navy has authority to make a deficiency in this appropriation if we have not the money.

Mr. KELLEY. We can not tell what the prices will be.

Gen. McCAWLEY. I have given you the price for 68 cents, and I will give you the price for 65 cents for 20,000 men, \$5,366,000. You can decide which you want to give me out of those three.

Mr. KELLEY. So that we will understand each other?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. That is 65 cents and the other is 68 cents?

Gen. McCAWLEY. Yes, sir. The middle one is 60 cents. I will read them again: Sixty-eight cents, \$5,557,600; 65 cents, \$5,366,000; and 60 cents, \$4,975,400.

Mr. KELLEY. You will put into the record, General, an analysis of the computation?

Gen. McCAWLEY. Yes, sir; based on an average of 20,000 men.

Mr. KELLEY. Yes; based on 20,000 men.

Appropriation "Maintenance, Quartermaster's Department, Marine Corps 1922," analysis of subhead "Provisions."

Item.	20,000 men, estimated, 1922, (68-cent ration).	20,000 men, estimated, 1922, (65-cent ration).	20,000 men, estimated, 1922, (60-cent ration).
Rations in kind.....	\$4,719,400	\$4,527,800	\$4,137,200
Subsistence while traveling.....	48,000	48,000	48,000
Board and lodging.....	50,000	50,000	50,000
Commutation to enlisted men on recruiting duty.....	331,641	331,641	331,641
Commutation to enlisted men at posts.....	50,000	50,000	50,000
Commutation to clerks and messengers at staff offices.....	200,000	200,000	200,000
Additional rations for noncommissioned officers and 33 cents per day, per man (act approved May 18, 1920).....	66,159	66,159	66,159
Ice machines and their maintenance.....	10,000	10,000	10,000
Ice.....	82,400	82,400	82,400
Total.....	5,557,600	5,366,000	4,975,400

Gen. McCAWLEY. I think we might as well discuss these estimates on that understanding; it is much easier.

Mr. KELLEY. I think that is pretty generally accepted.

Gen. LEJEUNE. I should like to raise that to 22,000.

Mr. KELLEY. I do not think that you had better ask for any increase this year.

Gen. McCAWLEY. If you do, I can give you the figures on the number in a few moments.

Mr. KELLEY. You better make the figures on 20,000. This amount includes how much for subsistence of the men on recruiting duty?

Gen. McCAWLEY. It includes all of that.

Mr. KELLEY. What is the amount?

Gen. McCAWLEY. The commutation for enlisted men on recruiting duty is \$331,641.

Mr. KELLEY. That is based on the number of men who have been recruiting, on the average?

Gen. McCAWLEY. If the number is reduced, that can also be reduced; that is not large. If recruiting were very materially reduced, \$100,000 might come off. That is a very small sum in the appropriation.

If you will permit me, talking of the Chicago prices, as compared with ours, our prices include the transportation, whereas the Chicago prices are f. o. b. Chicago, I assume.

Mr. KELLEY. That is quite likely. Can you tell offhand, General, what proportion of your ration is canned goods?

Gen. McCAWLEY. I can not answer that offhand. The amount for the ration is one that can be used at the discretion of the officer who handles it. He can either use an excess of canned goods or an excess of fresh goods or divide it in any way he sees fit. There is no limit on the way in which he can divide that. He has entire authority to make the bill of fare what he sees fit out of the rations he is allowed per day. It would be very hard to tell that.

Gen. LEJEUNE. The Navy ration has substitutes; a great many substitutes.

Mr. FRENCH. And it has some relation as to whether the Marines are in port or on sea?

Gen. McCAWLEY. It depends on what duty the Marines are performing.

Mr. WOOD. Suppose by reason of this discretion and this substitution, there is an accumulation of a lot of stuff that is not used, because of the fact that the particular officer does not care to use that kind of a ration; what does he do with that?

Gen. McCAWLEY. Of course, that is regulated by the officers with an idea to preventing loss. They would not allow a lot of stuff to accumulate. They are very particular relative to the amount they have on hand. That would not be economical and would be bad management.

Mr. WOOD. There has been an excess where they took it and threw it into the sea?

Gen. McCAWLEY. Where it spoiled. I have seen a lot of it thrown into the sea.

Mr. WOOD. It was not spoiled.

Mr. KELLEY. You see evidence with reference to the Shipping Board daily. They buy their stuff themselves. I think they buy in foreign ports, and it is a practice to get a "rake-off," and the more they can buy the more "rake-off" they get.

Mr. BYRNES. When you order stuff like this it is bought on competitive bids, I presume?

Gen. McCAWLEY. Yes, sir; all of it.

Mr. BYRNES. You order it shipped where?

Gen. McCAWLEY. It is shipped to our storehouses.

Mr. BYRNES. And those storehouses are located where?

Gen. McCAWLEY. In Philadelphia and Hampton Roads, and on the west coast at San Francisco.

Mr. BYRNES. I was wondering why you shipped to Philadelphia instead of to such a place as Hampton Roads, which is nearer your stations, and by which means you could save freight at the same time.

Gen. McCAWLEY. All the food that we need for the West Indies is supplied from Hampton Roads. Philadelphia is a fairly central distributing point for the stations on the Atlantic coast; that is a railroad center and a good commercial center. That is our principal depot on the eastern coast. On the western coast it is San Francisco.

Mr. BYRNES. I can see the advisability of San Francisco, but it struck me, with most of your men located at Quantico or Parris Island—I mean the majority of the men on the Atlantic coast—that it was entailing a large amount of freight expense to send the goods to Philadelphia.

Gen. McCAWLEY. Do you not think that Philadelphia is a good shipping point for Quantico?

Mr. BYRNES. I do not know. That is the reason I asked the question. As a result of your experience have you determined that that is the most economical point?

Gen. McCAWLEY. Yes, sir. The railroad is straight from Philadelphia to Quantico, only three or four hours.

Mr. BYRNES. You find it better to handle it that way?

Gen. McCAWLEY. Yes, sir. There are some supplies that we keep at Quantico.

Mr. BYRNES. On the west coast you think it cheaper to use San Francisco for the same purpose?

Gen. McCAWLEY. Yes, sir; that is the center, and we distribute from there to Bremerton on the north and to San Diego on the south.

Mr. KELLEY. Have you available any figures showing the amount of reserve of some of the chief items that you use for your ration?

Gen. McCAWLEY. Yes, sir. Of beans, for instance, we have only on hand enough to last three months; coffee, we have only enough to last five months; corned beef, we have only enough to last two months; flour, we have only enough to last two months; rice, only enough to last six months; sugar, enough to last two months; tomatoes, enough to last 11 months, that is beyond the next pack. Those are the principal components. I could tell you all of them.

Mr. BYRNES. Did you consume all the surplus supplies which you had at the end of the war?

Gen. McCAWLEY. The Secretary of the Navy ordered us to sell them.

Mr. BYRNES. How about the Army's surplus, they are still selling goods?

Gen. McCAWLEY. I really can not tell you.

Mr. BYRNES. I was just wondering whether it was possible for you to get any of their surplus food?

Gen. LEJEUNE. The Army's price for any war surplus they have on hand is higher than the present market price.

Mr. BYRNES. Is that true of bacon?

Gen. LEJEUNE. I think so.

Mr. BYRNES. I know that they were selling bacon around the country.

Mr. WOOD. One of the advertisements of the Army soon after the armistice showed that they were selling it, but would not sell under 5,000 pounds, an amount which no store could buy. What was the reason the Navy could not buy that stuff? That has only been a few months ago?

Gen. LEJEUNE. Do you remember the price of it?

Mr. WOOD. I forget the price.

Mr. KELLEY. The reserve is figured on the basis of 27,400 men?

Gen. McCAWLEY. Yes, sir; the authorized strength of the Corps. For 22,000 there would be a little increase and these estimates all would be a little bit under, but these would be about what I said, three to four months on the average. Of some of the staple supplies we have only enough for two months; flour and sugar we have only a two-months' supply on hand.

Mr. KELLEY. What would be the complete value of your inventoried supplies on hand?

Gen. McCAWLEY. I would have to figure that for you.

Mr. KELLEY. Possibly, you could give it approximately, and then put in the exact figure?

Gen. McCAWLEY. I do not think I could answer that offhand.

Mr. KELLEY. Do you know how much you have on hand?

Gen. McCAWLEY. I can give you the complete value of the stores on hand.

Mr. KELLEY. Take articles like butter, you handle them out of the reserve stock?

Gen. McCAWLEY. Not very much. Butter comes in tubs like lard, and it would not be—

Mr. KELLEY (interposing). That is handled more like beef?

Gen. McCAWLEY. Very nearly, but we probably keep a little longer supply than of beef. That is absolutely bought at the moment, because we have not any storage where we can keep beef or butter, either.

Mr. KELLEY. Do you buy entirely under your own contracts or do you buy sometimes under the Navy contracts?

Gen. McCAWLEY. If it is more advantageous to buy under the Navy contracts, we buy under them. We always compare the prices.

Mr. KELLEY. The Navy contract is so drawn that their goods are available for your use?

Gen. McCAWLEY. Yes, sir; or we can have the Navy issue them.

Mr. KELLEY. Or you can buy from the Navy?

Gen. McCAWLEY. Yes, sir; we do frequently. We take advantage of every opportunity which we have to reduce the cost of our food.

Mr. KELLEY. Are you obliged to take a certain amount under the contract or just what you see fit to take?

Gen. McCAWLEY. We advertise for certain quantities and if the price is a reasonable one and satisfactory in every way and if the bidder is a satisfactory one, then we feel obligated to take his bid, all things being equal, unless some conditions have arisen. The Government always reserves the right to reject bids.

Mr. BYRNES. I should like to know whether you have investigated the Army surplus to find out what you could get?

Gen. McCAWLEY. Yes, sir. I am in daily touch with the surplus of the Army, and I do not think that any food supplies are surplus.

Mr. BYRNES. I notice that they are being sold around the country by the retailers and the men handling them are making a profit, and they are sold so much cheaper than the retail price that I should think the Government ought to get more money out of them by selling to the other branches of the service.

Gen. McCAWLEY. I think the Army has almost reached the bottom of its surplus stores, and as far as provisions are concerned I think entirely so. I do not believe they have any more surplus which they are selling.

Mr. BYRNES. Did you buy any of those things from the Army?

Gen. McCAWLEY. No; because we were selling, too; we were getting rid of our surplus. We did not have a great deal of surplus, but we got rid of all that we could afford to get rid of.

Mr. KELLEY. You will put into the record a statement of the value of your surplus provisions?

Gen. McCAWLEY. By that I understand you mean provisions on hand?

Mr. KELLEY. Yes, sir.

Gen. McCAWLEY. They would not be regarded as surplus..

Mr. KELLEY. I understand that.

Gen. McCAWLEY. But stock on hand.

Note.—I find this value to be \$1,507,081.51.

Mr. KELLEY. Do you happen to recall, General, whether this is permanent law, authorizing subsistence?

Gen. McCAWLEY. I think not, Mr. Chairman. I think when Congress changed the Army ration to the Navy ration that it was carried in the naval appropriation bill and at that time I do not remember whether the word "hereafter" was used. The Revised Statutes, however, give us the Navy ration.

Gen. LEJEUNE. The Revised Statutes prescribe the Navy ration for the Marine Corps, and Congress temporarily changed it to the Army ration.

Mr. KELLEY. And now you are back to the Navy ration?

Gen. LEJEUNE. Yes, sir.

Gen. McCAWLEY. It is authorized by Revised Statute No. 1615.

Mr. KELLEY. It would help us a little, General, if you would indicate in your statement in the record the particular appropriation bill where the item started.

Gen. McCAWLEY. Yes, sir. I find upon reference to the naval act approved July 11, 1919, that in changing this ration the word "hereafter" was used, so that it is now general law.

CLOTHING, MARINE CORPS.

Mr. KELLEY. Take up the item of clothing. This year you have \$1,856,690, and on the basis of 27,400 men you ask for \$2,744,000. What is the estimate for that item on the basis of 20,000 men?

Gen. McCAWLEY. The clothing appropriation does not represent what it really costs to clothe a man for a year, because we are working on our surplus stock still and the amount appropriated last year,

namely, \$1,856,690, simply represented the amount of money that we needed that year to carry us through, taking into consideration the stock on hand. That stock is getting rather low and by the end of the year it will be considerably lower than it is now, and by the end of the next fiscal year it will be very, very low, so that we will practically have no stock on hand. This year we are asking for \$2,744,000.

Mr. KELLEY. That is on the basis of 27,400 men?

Gen. McCRAWLEY. That is on the basis of 27,000 men—no, on the basis of 27,000 men the estimate called for \$3,744,000, and the Secretary of the Navy cut it to \$2,744,000. Those are the figures that appear before you now; those are not my estimates.

Mr. KELLEY. Have you a statement, similar to the one which you gave me a moment ago relative to provisions, showing the reserve stock of clothing?

Gen. McCRAWLEY. Yes, sir.

Mr. KELLEY. You have no objection to this appearing in the record?

Gen. McCRAWLEY. No, sir; that is official—not if you want to put it in, sir.

Mr. KELLEY. Suppose you run through that list and analyze it a little for us, General?

Gen. McCRAWLEY. I am guided very largely in making my estimates of clothing by the recommendations of Gen. Radford, in Philadelphia, who is in charge of the depot there. His original estimates under this subhead called for over \$4,000,000, but I cut them myself before they went to the department by over a million dollars.

Mr. KELLEY. Was his request based on the needs of the Marine Corps or on keeping the factory at Philadelphia in operation?

Gen. McCRAWLEY. I hope on the Marine Corps, sir. In fact, I am sure it was, as I know Gen. Radford.

Mr. KELLEY. I know, but a man who has an organization manufacturing clothing sometimes finds it expedient to carry on the manufacture when the clothing is not needed, to keep his men and organization together. We found that condition in the Ordnance Department, that they did not need to keep Indianhead going for any military reason, so far as powder is concerned, but the department did not think it expedient to close the factory. I wondered if the same situation with reference to clothing might not be true?

Gen. McCRAWLEY. As I say, Gen. Radford is not actuated by any such methods as that. He gave a list of the clothing material which he thought he will need for the next fiscal year, which totals \$3,131,000. I thought his figures too high on some of the articles. I cut it down and submitted total estimates amounting to \$3,744,000, which the Secretary reduced to \$2,744,000. I estimate that we ought to have \$2,732,800 for this year.

Mr. KELLEY. Suppose we run through this statement. Take up, first, belts for trousers, you have enough on hand to last for 14 months and 23 days?

Gen. McCRAWLEY. It is not our purpose to buy any more belts.

Mr. KELLEY. Woolen blankets, etc.

Gen. McCRAWLEY. We would not buy any more of those blankets. We bought them from the Army and they are very good blankets.

We shall not buy any and will continue to use them until exhausted, even though they are not our standard color.

Mr. KELLEY. You have enough for three years?

Gen. McCAWLEY. We shall not buy any blankets until we need them.

Mr. KELLEY. You have enough winter coats for 15 months and 22 days?

Gen. McCAWLEY. In regard to those coats I will tell you this, and it pertains to all the other articles of made-up clothing: During the war we had a very large corps of 75,000 men and very large men in the corps. The men were all of your size but they are slightly smaller at the present time. The character of men coming into the corps is very small boys, very slight in stature and low stature, and the clothing we have on hand, while it is large in kind and quantity, does not represent the sizes that we are issuing to-day. Consequently we are still manufacturing clothing of the same character in order to fit out the men we have in the service to-day. Although we have a large stock of clothing on hand it is really of not much use to us on account of the sizes, so that we will have to keep that clothing in stock until those sizes return, and it is cheaper to keep that clothing than it is to break it down and make it over again into smaller sizes.

Mr. KELLEY. Older men enlisted during the war than at the present time?

Gen. McCAWLEY. Entirely.

Mr. KELLEY. Is that true of your recent enlistments?

Gen. McCAWLEY. Entirely. All the recent enlistments are mere boys.

Gen. LEJEUNE. We very recently stopped the enlistment of boys.

Mr. KELLEY. You probably will not enlist any boys this coming year, will you?

Gen. McCAWLEY. There is always great pressure for enlistments among men along about 18 or 19 years of age, but we want to keep them down to the minimum, as the older men are best for our purposes.

Mr. KELLEY. Of course, your enlistments will be pretty slight anyhow, so that it will be largely a question of supplying the men who are now in the corps, and you think, generally speaking, they are undersized, do you?

Gen. McCAWLEY. The men who have come in recently are, yes, sir; the men who have come in within the last year. You see, we have had probably half the strength of the corps enlisted in the last year.

Mr. KELLEY. And as to those who enlisted before the sizes would be about normal?

Gen. McCAWLEY. Yes, sir. But, of course, we built up a clothing supply during the war for a corps of 75,000 men in the various sizes that were necessary.

Mr. KELLEY. So of the large sizes you have great quantities on hand?

Gen. McCAWLEY. Yes, sir; unfortunately so.

Mr. KELLEY. This list contains some enormous reserves.

Gen. McCAWLEY. Of course, we always keep a reserve on hand in addition to the absolute needs of the men in the service. We are required to keep a reserve on hand for a large number of men to be ready at any time to expand; if we had not had that reserve the

Marine Corps never could have operated as it did at the beginning of the war.

Mr. KELLEY. Have you assorts these sizes to know just how much of a proposition it is?

Gen. McCAWLEY. Oh, yes; I have the sizes of everything in the corps.

Mr. KELLEY. For instance, you know the number and sizes of drawers, gloves, and all that kind of thing?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. Overcoats?

Gen. McCAWLEY. Yes, sir; it represents an immense table.

Mr. KELLEY. You have gone through that and checked it up to see that these seemingly very large reserves are in the large sizes.

Gen. McCAWLEY. Yes, sir, and Gen. Radford is furnished with that list which comes from every post, ship, and station in the Marine Corps. It is compiled and he is furnished with it, and he manufactures new garments with reference to the sizes on hand.

Mr. KELLEY. Has not that factory been running with just about its constant force?

Gen. McCAWLEY. Oh, no, sir; he has reduced his force.

Mr. KELLEY. How many has he there now?

Gen. McCAWLEY. Over 600.

Mr. KELLEY. How many did he have before the war?

Gen. McCAWLEY. I will put that in the record, what he had before the war.

NOTE.—I find that before the war when we had only 10,000 men in service he had 372, and in the midst of the war he had 1,338.

Mr. KELLEY. That was during the war when you had 75,000 men in the corps.

Gen. McCAWLEY. Yes, sir. And in addition to that, immense quantities of clothing were manufactured outside of the depot; we could not do it all in the depot.

Mr. KELLEY. During the war?

Gen. McCAWLEY. Yes; we let a great deal of it by contract, so even that did not represent the force required to carry on operations for a corps of 75,000 men. But he is reducing now even below the number at the present time, and he will get still lower until the necessity arises for taking on more. On the 30th of this month he is going to discharge 30 of his operatives and by the end of the fiscal year he will come down to a lower number, and I think he will have then not over 400. He is impressed, as all of us are, with the desirability and the necessity of economy. All of us at headquarters realize that economy must be practiced and we are striving in every way to help you gentlemen do it.

Mr. KELLEY. There would be no sale for the clothing?

Gen. McCAWLEY. Not the outer uniform clothing because the law prevents any one from wearing it.

Mr. KELLEY. And it is not quite the same as the Army uniform—it is of a little different color.

Gen. LEJEUNE. It is this color [indicating] instead of the Army color.

Gen. McCAWLEY. We issued a lot of our clothing to men who were discharged just after the war until Congress stopped it, and

now that can not be done. We sold large quantities of underclothing by direction of the department, but I do not think it is an economical thing to do that with this clothing because it will last for a good many years and why sell it and have to buy it again at higher prices.

Gen. LEJEUNE. We would not get full prices for it.

Mr. FRENCH. Your judgment is the same on these larger garments, too?

Gen. McCAWLEY. Yes, sir; we hope the need for them will return; we hope the men will get larger that we take into the corps and then these large sizes will come back into use, and it seems a waste of money to break them down and make them over again in the smaller sizes, which would make the cost of the garments a great deal more than it ought to be.

Mr. KELLEY. Of course, you have no deficiency in clothing.

Gen. McCAWLEY. No, sir; I will not have a deficiency.

Mr. KELLEY. Of course, your reserves are going ahead all the time?

Gen. McCAWLEY. We maintain our reserves at a fixed figure.

Mr. KELLEY. And you still have a big reservoir of clothing.

Gen. McCAWLEY. Yes, sir; but we are using it fast.

Mr. KELLEY. Do you not think, in the general stress of circumstances, that we could leave the clothing as it was last year, the number of men being the same?

Gen. McCAWLEY. If you decide to do that, I will do the best I can to help you on it.

Mr. KELLEY. The next item is fuel for the Marine Corps. You had \$450,000 for this year and are asking \$864,800 on the basis of 27,400 men. What will that figure be on the basis of 20,000 men?

Gen. McCAWLEY. Before we go to that, I must tell you that the clothing appropriation for this year does not represent my figures at all.

Mr. KELLEY. I understand. Suppose you put in the record a statement showing your reserve stocks.

Gen. McCAWLEY. Very well.

Table of the principal articles of Marine Corps clothing on hand as of Dec. 31, 1920.

Articles.	On hand Dec. 31, 1920.	Estimated to last—	
		Months.	Days.
Belts, trousers.....	67,684	14	23
Blankets, woolen.....	209,108	36	15
Coats, summer, field.....	205,228	29	29
Coats, winter, field.....	72,917	15	23
Drawers, nainsook.....	389,925	27	16
Drawers, woolen.....	455,670	44	10
Gloves, woolen.....	202,139	44	4
Hats, felt.....	77,944	13	1
Leggings.....	233,153	29	1
Overcoats.....	42,889	23	10
Ponchos, rubber.....	54,135	34	2
Shirts, chambray.....	97,400	14	7
Shirts, flannel.....	132,445	16	15
Shirts, under, cotton.....	458,981	25	3
Shirts, under, woolen.....	466,205	45	8
Shoes.....	229,949	20	5
Socks, cotton.....	420,410	23	16
Socks, woolen.....	371,747	14	4
Trousers, summer, field.....	317,904	24	27
Trousers, winter, field.....	121,998	17	25

Mr. KELLEY. I think you will have to take it up with Gen. Radford, work it out, and reduce the force for a while.

Gen. LEJEUNE. We cut the force down this year.

Gen. McCAWLEY. My letters are insistent that that should be done.

Mr. KELLEY. We do not want to disrupt the organization, or anything like that, but at the same time there is no use going ahead manufacturing clothing when you have so much on hand.

Mr. BYRNES. Where is that force?

Mr. KELLEY. They have a clothing factory at Philadelphia; they have about 600 people making marine clothes and they have a fine organization.

Gen. McCAWLEY. Gen. Radford is impressed with the need for economy.

Mr. KELLEY. They have a surplus of some sizes but the smaller sizes have run down. I think it would be well for you to put in the record a statement showing the number of employees at the factory, starting with, say, July 1, 1916 and running it along from that time.

Gen. McCAWLEY. Showing the highest number and showing how the force has been reduced.

Mr. KELLEY. Yes; because we want to handle that sensibly; that is all.

Gen. McCAWLEY. We will help you, sir.

Number of civilian employees at depot of supplies, Marine Corps, Philadelphia, Pa.

July 1, 1916.....	334
Jan. 1, 1917.....	372
June 30, 1918.....	1,230
Nov. 11, 1918.....	1,338
June 30, 1919.....	1,240
June 30, 1920.....	599
Jan. 15, 1921.....	656

NOTE.—In connection with the above force, I should like to impress upon you, Mr. Chairman, the fact that since 1916 we have been manufacturing at the Philadelphia depot many things that we formerly procured by contract on the outside; all military equipment of the men, such as haversacks, canteens, clothing bags, belts, harness, tentage, clothing boxes, mess tables, metal ornaments, and many other articles too numerous to mention, which has necessitated the employment of many more people than we had in 1916; and unless these activities are curtailed this increased number must be maintained, as it would be a very unwise and uneconomical course to return to the old method of procuring these articles under contract and abandon all the machinery installed for their manufacture.

FUEL—MARINE CORPS.

FOR HEAT, LIGHT, AND COMMUTATION OF QUARTERS FOR OFFICERS AND ENLISTED MEN.

Mr. KELLEY. We will now take up the fuel item.

Gen. McCAWLEY. For fuel I asked for \$730,000 as the appropriation to be made for this year and the Secretary of the Navy cut it to \$450,000, and that was the amount appropriated. I have supplemental estimates pending before the deficiency subcommittee in connection with fuel amounting to \$323,549, and even that will not be sufficient to carry us through the year. Those deficiency estimates were made up some months ago and the consumption of fuel has been such that the amount asked will not be enough. They are based on 1920, when our total expenditures for fuel were \$1,154,972.07

and for this year when they will be \$1,091,791. So you can see that the amount of money I am asking for this year will hardly be sufficient, \$864,800. The number of men in the corps does not make very much difference on the consumption of coal, because the buildings have to be heated anyhow; that is, a small reduction of 5,000 or 6,000 men would not make any difference, and these fuel estimates are based on actual figures.

Mr. KELLEY. How much have you spent this year since July 1 for fuel?

Gen. McCAWLEY. Up to January 1, I had spent \$668,714.22.

Mr. KELLEY. And the appropriation is \$450,000?

Gen. McCAWLEY. Yes. So you see that even my original estimate of \$730,000 was not sufficient.

Mr. KELLEY. At a place like Quantico the fuel bill is light on account of burning wood.

Gen. McCAWLEY. We are burning wood now, but we have also burned a great deal of coal and are burning it yet.

Gen. LEJEUNE. We have to run the power plant and the cold-storage plant. They require coal.

Gen. McCAWLEY. So it is necessary to have quite an amount of coal at that place. However, Gen. Butler put his men out in the woods cutting down trees, and he is burning wood wherever he can and thus saving a good deal of fuel. If it had not been that the winter has been such a mild one we would have been in a worse situation than we are to-day on fuel.

Mr. KELLEY. Your fuel is all coal; you do not use oil anywhere?

Gen. McCAWLEY. Out of this appropriation for fuel we buy oil, gasoline, kerosene, and everything of that kind.

Mr. KELLEY. Gasoline for your motors?

Gen. McCAWLEY. Yes; and oil for running the electric plants and all that sort of thing; all of those fuel adjuncts are purchased out of this appropriation for fuel, so that it is not all for coal. A good deal of it goes into commutation allowances of the officers and enlisted men who are entitled to it for the heat and light which is not furnished them in kind by the Government. That is a very material item in this appropriation.

Mr. KELLEY. The other item is commutation of quarters.

Gen. McCAWLEY. Yes.

Mr. KELLEY. And commutation for heat and light comes out of this appropriation.

Gen. McCAWLEY. And goes with the commutation of quarters; every enlisted man who is entitled to commutation of quarters is, under this, entitled to commutation of heat and light at the same time, because those things are not furnished by the Government. The allowances of those are prescribed by law.

Mr. KELLEY. Are there any buildings that are being heated to a small extent or kept in a sort of semicold storage condition, buildings belonging to the Marine Corps, that could be shut off entirely and thus save coal.

Gen. McCAWLEY. Not that I know of.

Gen. LEJEUNE. Most of our men are living in temporary buildings, and, of course, if those buildings are not occupied they are not heated.

Mr. KELLEY. You do not spend any money on those at all.

Gen. LEJEUNE. No.

Gen. McCAWLEY. They are heated by individual stoves, and when they are not occupied there is no fire kept in the stoves. That is the big cost at Paris Island and Quantico.

Mr. KELLEY. Can you put in the record a statement showing the fuel bills at the different stations and also the commutation.

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. Have you that right there?

Gen. McCAWLEY. I do not think I have it here.

Mr. KELLEY. How much are you asking for each station in the way of fuel and commutation?

Gen. McCAWLEY. I only have it for the actual fuel consumed—fuel, gasoline, fuel oil, electric current, and so on. I have that right here for each station, but I have not the commuted allowances.

Mr. KELLEY. You can put that in the record in addition.

Gen. McCAWLEY. Yes, sir. What you want is the 1920 expenditure, because I can not give it to you completely for 1921; I can give it to you only for six months.

Mr. KELLEY. That would be more illuminating than for a year. Give the expenditures for the six months beginning July 1.

Gen. McCAWLEY. The differences, however, are very slight. In 1920 we expended \$1,154,972.07, and this year we will spend \$1,091,-791. There is a difference of a very few dollars.

Mr. KELLEY. Then it does not matter much which one you do put in.

Mr. BYRNES. I do not see why you have to spend so much money at Parris Island.

Gen. McCAWLEY. We are running enormous power plants down there; they have the biggest power plant we have.

Gen. LEJEUNE. And they have boats there. The post is located on an island.

Mr. BYRNES. That is what it is then—it is not all heat.

Gen. McCAWLEY. No; it is for the electricity.

Mr. BYRNES. It is for other purposes.

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. It includes light and heat and power for pumping and the laundry, etc.

Mr. BYRNES. Of course, then, that is the explanation of it.

Gen. McCAWLEY. This is not all straight fuel; there are many other things that come out of this appropriation which I designate fuel.

Mr. KELLEY. The expenditure for gasoline at Parris Island was \$37,443.19; kerosene, \$14,187.10; and fuel, \$135,506.26. That was for the fiscal year 1920. I think it will be all right to put in a statement showing the actual expenditures for the year 1920 inasmuch as for 1921 they are practically the same.

Actual consumption of fuel in kind fiscal year 1920.

Post.	Solid fuel steam heat.	Kerosene fuel oil.	Gas.	Gasoline.	Electric current.	Total.
Annapolis, Md.	\$4,026.43	\$80.00		\$1,518.53	\$40.00	\$6,644.96
Atlanta, Ga., A. P. M.				132.38		132.38
Boston, Mass.	3,875.86	12.16	\$1,192.12	408.52	350.81	5,839.47
Guantanamo Bay	620.96	22.18		1,413.83	3,036.26	5,063.23
Cavite, P. I., depot	13.64	135.15		342.82	324.82	816.03
Cavite, P. I., barracks	1,445.45	221.23			1,399.67	3,066.35
Charleston, depot	127.24	176.31	54.43	1,493.11	2,241.73	4,097.82
Charleston, barracks	3,083.92	100.00		1,153.45	1,655.69	6,293.06
Dover, N. J.	70.65			773.46		841.11
Guam	2,176.36	1,032.83		2,056.68	900.00	6,165.87
Hingham, Mass.		75.00	52.29	297.84	18.00	443.13
Indianhead, Md.	32.02					32.02
Iona Island, N. Y.	54.99			339.50		394.49
Key West, Fla.	281.31	11.83	291.72	190.40	357.00	1,342.26
Managua, Nicaragua	1,946.15	1,023.00		75.00		3,044.15
Mari Island, Calif.	3,478.53	10,993.13		2,410.29	3,629.80	20,511.75
New London, Conn.	1,100.59	54.00		770.48	500.00	2,425.07
New Orleans, La.	632.36	200.00		271.43	612.37	1,716.16
Newport, R. I.	1,621.74	8.50		197.07		1,827.31
New York, N. Y.	2,729.16	400.00	108.31	4,167.41	638.70	8,044.58
Norfolk, Va.	1,15,142.48	789.98		2,316.11	5,365.61	23,784.16
Olongapo, P. I.	778.91	121.57			460.04	1,370.42
Parris Island	1,135,506.26	14,187.10		37,443.19		187,136.55
Pearl Harbor	226.01	854.04		1,361.27	1,424.45	3,905.77
Peking, China	13,543.76	307.80			6,474.18	20,325.74
Pensacola, Fla.	1,508.80	105.46		964.20	1,240.00	2,818.46
Philadelphia Barracks	1,26,587.43	116.92		3,653.61	8,423.04	38,781.00
Philadelphia Depot	1,32,146.63	275.00	1,786.50	7,375.61	2,831.59	44,415.33
Point Isabel, Tex.	40.00	18.80		70.50		129.00
Portsmouth, N. H.	7,082.64	18.00		1,086.61	2,428.66	10,616.91
Puget Sound, Wash.	1,10,488.51	425.16		777.24	908.65	12,594.55
Quantico, Va.	14,565.78	14,669.43		30,388.45		94,623.66
San Diego, Calif.	660.00	990.12	2,038.06	2,308.21	1,923.25	7,919.64
San Francisco, Depot	717.29	246.83		499.71	1,137.71	2,601.54
St. Juliens Creek		18.25		509.35	36.52	564.12
Tuckerton, N. J.				150.00		150.00
Wakefield, Mass.				25.50		25.50
Washington Barracks	5,531.01		1,153.03		3,069.64	9,753.68
Navy yard, Washington	354.83	22.55	755.35		866.14	2,028.87
Headquarters, Washington	1,377.84	7.15	51.94	4,137.32	370.56	5,944.81
Yorktown, Va.	168.63	87.50		400.00		656.13
West Indies	14,049.93	20,100.55		64,295.72	18,403.06	116,849.25
Total	341,824.00	67,857.20	7,484.75	176,109.60	71,493.74	664,760.29

¹ The amounts stated below are chargeable to "Contingent" on account of freight and handling of coal at the stations indicated:

Boston		8536.54
Norfolk		4,755.10
Parris Island		42,926.75
Pensacola		171.20
Philadelphia Barracks		11,508.56
Philadelphia Depot		9,447.60
Quantico, Va.		15,765.20
Portsmouth, N. H.		600.00

Total..... **85,714.95**
Fuel..... **579,054.34**

Grand total..... **664,769.29**

* Reduction in amount of solid fuel at Pearl Harbor, due to installation of electric ranges in officers' quarters.

SUMMARY.

Value of fuel consumed		\$579,054.34
Value of fuel on hand		53,471.27
Commutations paid		522,446.46

Total..... **1,154,972.07**

Mr. KELLEY. The coal and fuel bill in the Navy has gotten to be a tremendous thing. Your bill, of course, is small as compared with that of the Navy, the Navy's bill amounting to \$37,000,000, and your bill amounts to three quarters of a million or more. Is there not some way in which this can be reduced?

Gen. McCAWLEY. I wish there were some way. I estimated for \$730,000, and I am away off in my estimates.

Mr. KELLEY. How much do you want us to appropriate this year?

Gen. McCAWLEY. Well, I have in the estimates, \$864,000, and I am showing you exactly what it is costing us. I leave it to you to determine. Of course, the \$864,000, on the figures I have shown you for 1920 and 1921, is going to fall short by about \$200,000.

Mr. KELLEY. Then the total figure for 1920, exclusive of the commutation, is \$664,769.

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. Commutation will run that up.

Gen. McCAWLEY. The commutations in 1920 were \$522,000, and I am told they will be the same this year. Of course, we have not the complete figures on commutations; we do not get them for several months afterwards, and I can only give them to you up to the 30th of November of this fiscal year.

Mr. KELLEY. General, you have been able to handle this, I suppose, because of the provision carried at the end of the bill which makes all of your appropriations one fund.

Gen. McCAWLEY. It has been possible to do that up to this year, but this year I have got to come for supplemental estimates, because the total amount altogether was utterly inadequate. The deficiency in fuel for the year before, for 1920, was over \$700,000, which I was able to handle by reason of balances in other subheads of the appropriation, but this year I can not do it.

Mr. KELLEY. And, of course, there is some question whether that should be carried in this bill, because it would be subject to a point of order if somebody should make it.

Gen. McCAWLEY. If it is not, then these appropriations should be made very carefully in order to avoid deficiencies. That is the only thing that has saved us from deficiencies in the last two years, and it has been the redeeming feature of the appropriation bill.

Mr. KELLEY. Of course, you are responsible for the figures and for the issue of the coal, but Gen. Lejeune is responsible for the burning of it.

Gen. McCAWLEY. Well, not entirely. Where the men are entitled to heat we must provide heat for their quarters and we must provide all of the necessary adjuncts that come out of this. The only way in which we can reduce expenditures is to stop commutation and stop the operation of motor vehicles.

Mr. KELLEY. There appears to be an item of \$176,109.60 for gasoline. Would that represent the motor vehicles altogether?

Gen. McCAWLEY. Well, motor transportation on both water and land.

Mr. KELLEY. At the West Indies there is a very large amount of that.

Gen. LEJEUNE. They run trucks all over the country to supply the troops; they have to go far in the interior.

Mr. KELLEY. And at Quantico, \$30,388. How do you use so much gasoline at Quantico?

Gen. LEJEUNE. I think you will find that has been reduced by one-half this year; every possible effort has been made to cut down the use of gasoline.

Gen. McCAWLEY. We have cut the use of motor vehicles there 50 per cent.

Gen. LEJEUNE. I think it has been cut down everywhere. We certainly have urged it in every way possible.

Mr. KELLEY. Are you sure you are not heating buildings that are not in use?

Gen. LEJEUNE. We have no permanent buildings that are not in use, and I know they are not burning coal in the temporary buildings, because nobody is living in them. You know there has been an increase in the price of coal.

Gen. McCAWLEY. A very material increase.

Mr. KELLEY. And, of course, you have no more information about what the price will be than anybody else?

Gen. McCAWLEY. Apparently it is not going down, sir; we have no figures showing it is going down; it is all going up.

Mr. KELLEY. What were your last prices for coal?

Gen. LEJEUNE. I should like to invite your attention to the economy in expenses for 1921. You will notice that the cost of fuel for 1920 was a little more than we estimate it is going to be for this year; while the average number of men in the corps last year was about 16,000 this year it will be about 20,000. So we have introduced measures of economy. We did not average last year more than about 16,000 men in the Marine Corps, and this year, with an average of 20,000, the expense for fuel will be less than it was last year, even with the higher price of coal.

Mr. Wood. What are you paying for coal?

Gen. McCAWLEY. At Parris Island in 1920 we paid \$2.60 for bituminous coal, run of the mine, and in 1921 we are paying \$4 for it.

Mr. KELLEY. Is that at the mine or at the school?

Gen. McCAWLEY. Run of the mine f. o. b. That is an increase of \$1.40. For anthracite coal at that station we paid \$6.60 in 1920 and are paying \$7.75 for it now, an increase of \$1.15. At Philadelphia we paid \$3.20 for run of the mine bituminous coal in 1920 and we are paying \$4 for it this year, a difference of 80 cents.

Mr. Wood. When were those quotations prepared?

Gen. McCAWLEY. The quotation for 1921 is our last purchase.

Mr. Wood. I mean, your present quotations.

Gen. McCAWLEY. A few days ago.

Mr. Wood. I understand that coal in Kentucky and Indiana is now only \$2.50.

Gen. McCAWLEY. I would like to get in touch with those mines.

Mr. KELLEY. Of course, to that price would have to be added the freight?

Mr. Wood. I do not know what the freight might be, but I was talking to one of the operators yesterday, and that is what he told me about the price.

Mr. KELLEY. When did this freight increase go into effect?

Gen. McCAWLEY. Last August.

Mr. KELLEY. I presume the cost to you is enhanced more by reason of the increased freight rates than any other item?

Gen. McCAWLEY. Yes, sir; they have added very much more to the cost, and that increase in freight and express rates will come in another appropriation.

Mr. KELLEY. You have an item in the bill for freight, which covers that, but this is just the price of the coal itself.

Gen. McCAWLEY. Yes, sir. We buy our coal for Parris Island from the Clinchfield Fuel Co., the Dixie Flint Co., the Bewley Darst Co., and others. Those are the southern mines. I think probably you know about them, Mr. Byrnes. In Philadelphia we buy from the Pennsylvania companies. These are carload lot prices, too.

Gen. LEJEUNE. An average of 17,000; it should be 16,000. We will spend less for fuel than last year when the average was 16,000 men.

Gen. McCAWLEY. I think you will find that our fuel prices compare favorably with purchases made by the other branches of the Government.

Mr. KELLEY. You are asking \$864,800?

Gen. McCAWLEY. Of course, that was based on 27,400 men, and we are attempting to prove to you that it will not be enough for the number of men that we are going to have in the Corps in any event this present year. We have had an average of 20,000 and will have to expend out of this appropriation \$1,091,791.

Mr. KELLEY. The only way you can reduce the expense is to cut off some more motor vehicles or get a reduction in price.

Gen. McCAWLEY. Get a reduction in price? I think the price of motor vehicles has about reached the minimum. I do not think it is a material item in this appropriation. Commutation is one of the biggest items that we have. I do not know how to avoid that; I can not avoid it myself at all, because it is automatic. If the men have a commutation status, they get commutation allowance for the heat and light that is not furnished them by the Government.

Gen. LEJEUNE. All the officers get the commutation for heat and light and also a greatly increased number of enlisted men. Congress has been more and more generous to the enlisted men. Formerly only the officers received it, but now men of certain ranks are entitled to it.

Gen. McCAWLEY. It is cheaper, probably, to do this than to build quarters and furnish them.

Mr. KELLEY. This item provides for heat, light, and commutation thereof for the authorized allowance of quarters for officers and enlisted men and other buildings and grounds pertaining to the Marine Corps, and then there is this clause:

And for buildings erected by authority of the Secretary of the Navy on Marine Corps reservations by welfare organizations at private cost.

Have we any buildings like that we are heating?

Gen. McCAWLEY. Yes, sir; a few of them.

Gen. LEJEUNE. They have been turned over to the Government. We are still heating them, but they do not belong to the welfare organizations.

Gen. McCAWLEY. The Y. M. C. A., the Knights of Columbus, the Hostess Houses, and all those houses built at the camps—

Mr. KELLEY (interposing). They now belong to the Government?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. Then why does not the language in the bill take care of them; why is that necessary?

Gen. McCAWLEY. I do not think it is necessary. They have been turned over to the Government. That language was inserted in the

bill before they were turned over, in order to authorize the heating and lighting.

Mr. KELLEY. Now, that language can come out of the bill?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. I think I asked you, General, to put in a statement which you have there for 1920, showing the distribution of the amount?

Gen. McCAWLEY. An analysis of the expenditures under that appropriation?

Mr. KELLEY. Yes, sir; what we spent in 1920.

Appropriation "Maintenance, Quartermaster's Department, Marine Corps," analysis of subhead "Fuel."

	Estimated 1922, 27,400 men.	Expended 1920, 27,400 men.	
Commutation of heat and light for officers and enlisted men.		\$522,446.46	
Gas, electricity, and oil for cooking, power, and other purposes.		330,440.17	
Fuel		302,085.44	
Total.....		1,154,972.07	
Amount appropriated.....	\$390,078.00	Total expenditures.....	\$1,154,972.07
Increased by sales.....	47,557.58	Total credits.....	437,635.58
Total credit.....	437,635.58	Deficiency.....	717,336.4

MILITARY STORES, MARINE CORPS.

PURCHASE AND REPAIR OF MILITARY EQUIPMENT, ETC.

Mr. KELLEY. The next item is "Military stores, Marine Corps pay of chief armorer, \$4 per diem."

Gen. McCAWLEY. That item can be cut out if you want to. That man has ceased to function. We have not had him there for some days, as we could not employ him at that figure.

Mr. KELLEY. General, you had \$1,000,000 for small arms and now you want another million dollars. You must have a tremendous stock on hand. Have you a statement showing the stock of supplies on hand of these small arms?

Gen. McCAWLEY. We are not going to buy any small arms at all.

Mr. KELLEY. What is this \$1,000,000 for?

Gen. LEJEUNE. Tents are a big item—a large part of the Marine Corps is living in tents.

Mr. KELLEY. Please analyze that item in detail.

Gen. McCAWLEY. On the basis of 20,000 men you can cut that down to \$912,400.

Mr. KELLEY. On the basis of 20,000 men?

Gen. McCAWLEY. On an average of 20,000 men.

Mr. KELLEY. Please analyze that item.

Gen. McCAWLEY. Out of that there is:

Labor.....	\$132,822
<i>Other objects of expenditure:</i>	
Rifles (spare parts).....	80,000
Tentage.....	238,023
Material for manufacturing purposes.....	30,000

Other objects of expenditure—Continued.

Band instruments.....	\$5,000
Articles of field sports.....	21,555
Signal equipment.....	50,000
Medals.....	25,000
Maintenance of target ranges.....	50,000
Ammunition.....	11,000
Amusement and gymnasium rooms.....	25,000
Prizes.....	2,500
Machinery and equipment.....	1,000
Lumber for tent floors.....	10,000
Reconnaissance outfits.....	10,000
Stoves for tents.....	500
Marine officers' schools of application.....	20,000
Care and preservation of ammunition and ordnance material.....	25,000
Supplies for vocational training schools.....	125,000
Military equipment.....	50,000
Total.....	912,400

Those are the various things procured out of this appropriation which totals \$912,400?

Mr. KELLEY. This is the item of maintenance, military stores. What is the labor at \$132,822?

Gen. McCAWLEY. That is labor at the Philadelphia depot in connection with the equipment factory, the salaries of the various people connected with it.

Mr. KELLEY. It is not for the people manufacturing clothing?

Gen. McCAWLEY. No, sir; that is quite a separate division in the depot quartermaster's office. He has over there the following employees:

List of employees at Philadelphia depot Jan. 24, 1921.

Department.	Men.	Women.
Clothing.....	77	29
Equipment.....	25	33
Machine and motor shops.....	90	.....
Carpenter.....	72	.....
Storehouses, etc.....	51	.....
Watchmen.....	19	.....
Offices.....	4	6
Inspection force.....	5	.....
	313	313

A grand total of 656.

Mr. KELLEY. Those are at the depot?

Gen. McCAWLEY. At the Philadelphia depot concerned in the matter of equipment made under this appropriation, "Military stores." All of the equipment of our men is manufactured there, belts, haversacks, canteens, blanket bags, all the things that go into the haversack, the tin receptacles for food, plates for eating the food from, knives, forks, cups, and spoons—everything of that kind.

Mr. KELLEY. Where is that in the city of Philadelphia?

Gen. McCAWLEY. South Broad Street. I think you have been there?

Mr. KELLEY. Yes, sir.

Gen. McCAWLEY. Gen. Radford's depot.

Mr. KELLEY. The clothing is made at the same place?

Gen. McCAWLEY. Yes, sir.

Gen. LEJEUNE. They repair all the arms which are turned in.

Gen. McCAWLEY. All the rifles are revamped there. It is continuous work, going on all the time. The waste tentage is a very considerable item, with most of the men living in tents, in the tropics particularly, the tents wear out in less than a year and it is the most expensive way in the world to house men.

Mr. KELLEY. How many men are paid for out of this appropriation?

Gen. McCAWLEY. I will give you a list; I will place it in the record.

VOCATIONAL TRAINING SCHOOLS.

Mr. KELLEY. For supplies for vocational training schools you ask \$125,000?

Gen. LEJEUNE. That is for our schools. We put in that item to buy textbooks and stationery to keep up the schools. We have about 5,000 enrollments and we expect to have fully 10,000 before the end of the year.

Mr. KELLEY. How large was this item before the war, "Military stores"? In 1916 the appropriation was \$307,000 plus a deficiency of \$150,000?

Gen. McCAWLEY. \$307,737 plus a deficiency of \$150,000.

Mr. KELLEY. Which would make \$457,737?

Gen. McCAWLEY. Yes, sir; then we only had 10,000 men. During the war this appropriation ran up as high as \$25,000,000.

MILITARY EQUIPMENT.

Mr. KELLEY. This item, "Military equipment," what is that; a sort of general item?

Gen. McCAWLEY. Here is the list:

Military equipment, 1922.

100 flags, post.....	\$1,252
2,000 flags, storm.....	8,350
25,000 belts, dress.....	23,750
10,000 belts, fair leather.....	7,000
750 belts, undress, sword.....	2,925
50 micrometers.....	450
150 telescopes.....	3,450
Miscellaneous supplies, such as rivets, washers, flag poles, silk guidons, etc... ..	2,823
 Total.....	 50,000

That is an analysis of how Gen. Radford proposes spending that particular item.

MAINTENANCE OF TARGET RANGES.

Mr. KELLEY. Tell us about the maintenance of target ranges, \$50,000?

Gen. McCAWLEY. Those are the rifle ranges. We propose buying the following:

Maintenance, targets and ranges, 1922.

25,000 yards canton flannel.....	\$5,000
30,000 yards muslin, unbleached, for targets.....	15,000
5,000,000 pasters, target, black and buff.....	1,000
110,000 paper targets.....	13,000
Miscellaneous, including lumber, nails, wire, etc.....	16,000
 Total.....	 50,000

Gen. LEJEUNE. We have large rifle ranges at Parris Island, Quantico, and Mare Island, and smaller ones at other places.

Mr. WOOD. Why use flannel for the targets?

Gen. McCRAWLEY. We use that for cleaning of the guns.

Mr. WOOD. That is not for the targets?

Gen. McCRAWLEY. No, the unbleached muslin is for the targets.

Gen. LEJEUNE. They have to clean the gun immediately so as to keep the chemical from destroying the bore.

TENTAGE.

Mr. KELLEY. For tentage, \$238,023, please analyze that?

Gen. McCRAWLEY. As I said a little while ago, a tent costs about \$48 and that we were going to buy as many as we can get out of the item that I gave you for tentage. I have not figured it out under the reduced appropriation. We were expecting to get 7,000, but with the reduction to an average of 20,000 men we will not need that many. We will buy less. It will just be the number that we can buy out of that item, \$238,023, at an average cost of \$48, just what you will allow us to buy.

Gen. LEJEUNE. The life of a tent instead of being a year is not much over six months.

Mr. KELLEY. And based on 20,000 men?

Gen. McCRAWLEY. It would not be very many.

Mr. KELLEY. How much would that item be if based on 20,000 men instead of 27,000 men?

Gen. McCRAWLEY. The whole item is based on 20,000 men, \$912,400.

Mr. KELLEY. The \$238,000 is on the basis of 20,000 men?

Gen. McCRAWLEY. Yes, sir.

Mr. KELLEY. This is for tents at the rate of \$48 apiece?

Gen. McCRAWLEY. Yes, sir.

Mr. KELLEY. The tents last how long in the Tropics?

Gen. McCRAWLEY. About six months.

Mr. KELLEY. That is where they are mostly used?

Gen. McCRAWLEY. Yes, sir; almost entirely.

Gen. LEJEUNE. We have increased the use of tents in Haiti and Santo Domingo in order to save the rent of buildings. A great many men have moved out of buildings since July 1, 1920.

RECONNAISSANCE OUTFITS.

Mr. KELLEY. What is this item, "Reconnaissance outfits, \$10,000?

Gen. LEJEUNE. Those are instruments and material used in connection with making military maps, also photographic material.

Mr. KELLEY. You do not participate in the distribution of the large sum of money provided the Navy for recreation?

Gen. LEJEUNE. We get some; they make a small allowance.

Mr. KELLEY. How much do they give you?

Gen. LEJEUNE. Oh, a small amount for Quantico and Parris Island, and a small amount for Haiti and Santo Domingo. I have forgotten exactly what it is, but we get a very small proportion of the appropriation. The most of it goes to ships.

Mr. KELLEY. We carry about \$800,000?

Gen. LEJEUNE. Yes, sir. They make small allotments to help us.

WELFARE WORK.

Mr. WOOD. Have you any of these high-priced recreation teachers, professors, and lecturers?

Gen. LEJEUNE. None; none paid by the Government. I beg your pardon; there are one or two paid by the Government from the Navy appropriation for welfare work.

Mr. WOOD. None of the welfare people is paid for out of this appropriation?

Gen. LEJEUNE. None whatever. We have no one employed for the school work; that is all done by the officers and enlisted men.

Mr. WOOD. They pay as high as \$8,000 and \$9,000 a year in the Army.

Gen. LEJEUNE. No welfare workers or teachers are paid out of Marine Corps appropriations.

Mr. KELLEY. This carries \$171,555 for welfare work.

Gen. LEJEUNE. It is not exactly welfare work.

Mr. KELLEY. Articles of field sports; is that a recreation school?

Gen. McCAWLEY. Field sports would not come under that item. That is a part of the military training of the men, to encourage them to take outdoor exercise.

Gen. LEJEUNE. That includes the \$125,000 for vocational training?

Mr. KELLEY. Yes, sir.

Gen. LEJEUNE. I would not call that welfare work; that is the enlisted men's school.

Mr. KELLEY. For articles of field sports, \$21,555; amusements and gymnasium rooms, \$25,000; and supplies for vocational training schools, \$125,000. That makes \$171,555. Then you get from the Navy an allotment?

Gen. McCAWLEY. Those are all articles used in the physical training, to make better physical men, just like playing baseball.

Mr. KELLEY. It is all well ordered and properly organized sports, it is perfectly legitimate, but I was wondering whether in view of your getting an allotment from the Navy this would be necessary?

Gen. LEJEUNE. I would not like to depend on that entirely, because our allotment from the Navy is very small.

Mr. KELLEY. Have you figures showing just what you have received from the Navy from the appropriation for recreation?

Gen. LEJEUNE. I would have to get that from the posts. About \$4,958.

Mr. KELLEY. \$8,000 for baseballs; of course they lose the baseballs very fast?

Gen. McCAWLEY. They get batted to pieces.

Mr. KELLEY. Is not that a large amount in view of the amount being available for education in the Navy?

Gen. LEJEUNE. We do not get anything from the Navy for education.

Mr. KELLEY. \$800,000 is available for recreation and education?

Gen. LEJEUNE. I should not like to see our item for education cut out, as our school has nothing to do with the Navy. We want to keep our own school. We have it organized and running; it is a very important school.

Mr. KELLEY. If you had a little money for it from the Navy?

Gen. LEJEUNE. We have not asked for it and do not expect to get any.

Mr. KELLEY. The language in the bill is, "Construction, equipment, and maintenance of school, library, and amusement rooms." Had not the word "construction" better be eliminated?

Gen. McCAWLEY. I do not know why. It may be necessary at an outlying station somewhere to build a little building for that purpose. It was put in there for that reason some years ago. We might have to put up a little shack at a little station, for a small school or library or amusement room. When the men have to simply sit on their bunks when off duty it is a great hardship. I think it is a very small matter; I doubt whether we have spent a great deal of money.

Mr. KELLEY. Because the boys are scattered so widely in small groups?

Gen. McCAWLEY. Yes, sir.

Gen. LEJEUNE. In Haiti and San Diego, wherever we have a station, we have a little room of that kind; a reading room and library.

Gen. McCAWLEY. It is pretty hard for a man to sit on his bunk, when off duty.

Mr. KELLEY. I suppose you furnish the lumber and nails, the materials, and the men build the buildings?

Gen. McCAWLEY. That is the idea of it; it is very small.

RENTAL AND MAINTENANCE OF CAMPS OF INSTRUCTION.

Mr. KELLEY. The item "rental and maintenance of camps of instruction"; has that any special significance?

Gen. McCAWLEY. That was put in at the beginning of the war, or just before the beginning of the war, when war seemed imminent, in order to have the authority to do that.

Mr. KELLEY. You do not care for that any more?

Gen. McCAWLEY. I will let Gen. Lejeune express his view about that.

Gen. LEJEUNE. Last summer there were many applications from young men who wanted to get military instruction, whom we did not take in because of the lack of an appropriation.

Mr. KELLEY. You are not taking in many for that purpose?

Gen. LEJEUNE. No, sir.

Mr. KELLEY. I think that camp instruction matter may go out?

Gen. LEJEUNE. It can go out.

Gen. McCAWLEY. That lessens my troubles.

Mr. KELLEY. How about the rental of target ranges?

Gen. LEJEUNE. We have sometimes to do that. I do not think it would be well to take that out. We use ranges abroad, and have to pay for them.

Gen. McCAWLEY. That is for the men on the ships to keep up their military training, and there should be some authority to pay for the rental.

Mr. KELLEY. That is a sort of incidental affair. The main target ranges are all taken care of?

Gen. McCAWLEY. Yes, sir. I doubt very much if any money has been spent for that purpose recently, except possibly up in New England, where we hired a range.

Mr. KELLEY. There is nothing in this fund for the purchase of rifles.

Gen. McCAWLEY. I am not going to spend a cent to buy a rifle, not for some years.

Mr. KELLEY. The only thing is for spare parts.

Gen. McCAWLEY. Yes,

Mr. KELLEY. To keep the present rifles in repair.

Gen. McCAWLEY. Exactly, sir.

TRANSPORTATION AND RECRUITING, MARINE CORPS.

Mr. KELLEY. The next is transportation and recruiting. This ought to come down in a marked way, because there will not be much recruiting; it is only a question of transportation and a little recruiting.

Gen. LEJEUNE. We have to get 7,178 men next year because there will be about that many losses next year.

Mr. KELLEY. How much are you asking this year, based on 20,000 men, for transportation and recruiting?

Gen. McCAWLEY. The original estimate, on 27,400 men, called for \$1,695,800, which the Secretary reduced to \$1,450,000 in sending the estimates to Congress. On that same basis, for 20,000, we would require \$1,237,800, but in view of the limitation on recruiting I think we can reduce still further.

Mr. KELLEY. We can almost figure that out exactly, can we not? In the Navy they figure \$38 per man—that is, for sending him home. If you will take the men who leave during the year following July 1—figure the number that you will have to send home, and then figure that 60 per cent of those will come back, and those discharged for cause, you have it almost exactly.

Gen. McCAWLEY. We have a lot of expense connected with recruiting.

Mr. KELLEY. Just take the transportation first and see whether we can work that out.

Gen. LEJEUNE. If we send men for training to Parris Island we have to move them from there to other stations.

Mr. KELLEY. As I say, the Navy figures this at \$38. They figure that amount for the men coming in and going out, and then a certain charge for what they call internavy movement, and that can be worked out mathematically by you if you will take the same basis. I wish you would put in the record a statement showing the number of men whose terms of enlistment will expire from July 1, 1921, to July 1, 1922; the reenlistments for the same period; the discharges during that period of those who will be discharged for reasons other than expiration of enlistments, but entitled to mileage, and then the bringing in of such new recruits as will be necessary to keep your average at 20,000. They figure it at \$38.

Gen. LEJEUNE. Conditions in the Navy are different from those in the Marine Corps. It is necessary for us to move many large detachments in order to keep the foreign stations supplied with men.

Mr. KELLEY. The recruiting will be very small.

Gen. LEJEUNE. No, sir; 20,000 men is twice as many as we had in 1916.

Mr. KELLEY. I think the figures given here yesterday indicated that by just leaving the Marine Corps as it is, and without any recruiting, it would have an average next year of about 18,000, so that it is only a question of recruiting a couple of thousand men.

Gen. LEJEUNE. I think those figures are a little optimistic. In 1916 we had a corps of 10,000 men and enlisted men for four years. We still had an expense for recruiting, and next year we get the effect of the two-year enlistments, so that there will be a much larger percentage of men going out next year than when they enlisted for four years.

Gen. McCAWLEY. There must also be taken into consideration the increased rates of transportation.

Mr. KELLEY. The Navy has taken that into consideration. I think you can figure \$38 as being probably what you would have to pay, because there would not be any great difference between your transportation per man than the Navy per man?

Gen. McCAWLEY. The rate is exactly the same.

Mr. KELLEY. And they will probably come about the same distance, on the average.

Gen. McCAWLEY. Yes.

Mr. KELLEY. So if you will figure that at \$38 per man, that will answer.

Gen. McCAWLEY. There are other items that come into this appropriation, however, that are beyond transportation.

Mr. KELLEY. But I want the transportation by itself.

Gen. McCAWLEY. That is the major item, which the paymaster pays from his appropriations; but there is another item that comes into this appropriation of mine, which is the transportation of the families of officers and enlisted men under a recent act of Congress. The rent of recruiting offices is also paid out of this appropriation.

Mr. KELLEY. And you have closed down pretty nearly all of them this year?

Gen. LEJEUNE. You can not recruit a corps of 20,000 as easily as you might think. You will remember that last Spring Congress was enacting all kinds of laws to encourage recruiting. It looked then like a hopeless proposition to keep the Navy and the Marine Corps filled up, and Congress increased the pay, allowed bonuses for reenlistments, gave laundry service to the enlisted men, gave increased allowances in the higher grades of enlisted men in the way of commutation of rations, and gave additional men commutation of quarters. Everything was done to encourage recruiting, because Congress and the service were very pessimistic on the subject. It happens right now that recruits are coming very easily. I do not know whether or not this would be the case next year.

Mr. KELLEY. The experience of the Navy has been that 60 per cent come back.

Gen. LEJEUNE. There will be about 5,639 men going out by reason of expiration of enlistments next year.

Mr. KELLEY. However, this is something that can be figured almost accurately, and I do not think it will be much of a job to enlist 2,000 or 3,000 men in the Marine Corps in a year.

Gen. McCAWLEY. This is an appropriation over which I have very little control. It is handled almost entirely under Gen. Lejeune's orders; I handle it, but I mean I am governed entirely by the ex-

penses I am directed to pay for. This transportation of men on discharge is paid by the Paymaster.

I estimated on the basis of 20,000 men that we will need \$631,000 for transportation of troops. This not only includes the transportation of recruits from points of enlistment to the recruit depots, but also covers the cost of transportation of officers and troops between posts of the Corps, to carry on the military activities of the Corps. I find for the first six months of this fiscal year that we have spent \$221,157.33 for the transportation of troops, exclusive of recruits, and \$311,588.50 for the transportation of recruits. If recruiting is to cease entirely, and if the expenditures of the first six months are maintained for the second period of the year, it would seem to be clear that it would require an appropriation of approximately \$450,000 for the transportation of troops between posts, which would be a reduction of \$181,000 from this item of transportation.

Mr. KELLEY. This item is almost wholly a question of transportation.

Gen. McCAWLEY. Transportation of recruits and the expense of the recruiting service.

Mr. KELLEY. Well, that is all there is in it.

Gen. McCAWLEY. No; there is a good deal besides transportation. We have a certain amount of publicity.

Mr. KELLEY. That is a part of the recruiting.

Gen. McCAWLEY. Yes.

Mr. KELLEY. But the recruiting is a small matter compared with what you had last year.

Gen. McCAWLEY. Oh, yes.

Mr. KELLEY. In the last line of the item appears this language: "And the expense of the recruiting service." Is that for rent?

Gen. McCAWLEY. Any expense that is incidental to recruiting is covered by that.

Mr. KELLEY. Suppose you put in the record a statement as to what the chief items of expense are in connection with recruiting.

Gen. McCAWLEY. Very good, sir.

Mr. KELLEY. Take it for the last six months or at any time when you can figure it conveniently and show just what that means.

Gen. McCAWLEY. Very well. Here is the list:

Incidentals, such as:

Drayage.....	\$408.85
Freight and express.....	7,737.50
Cleaning windows.....	10.00
Lettering motor trucks.....	81.00
Lettering windows.....	187.40
Alcohol.....	12.00
Sign.....	105.00
Ice.....	641.00
Coal.....	50.00
Drinking water.....	30.00
Telegrams.....	806.83
Cup grease.....	30.00
Kerosene.....	353.50
Gasoline.....	8,410.00
Electric fans.....	55.86
Electric current.....	1,752.86
Telephone service.....	2,501.50
Street car tickets.....	5,334.75
Office supplies.....	1,793.43
Total.....	30,301.48

Mr. KELLEY. The next item is repairs of barracks. Last year you had \$250,000 and this year you want \$500,000.

Gen. McCAWLEY. Before we leave transportation and recruiting, I would like to state that there is an estimate pending for a deficiency under that head for the present fiscal year of \$480,456.

Mr. KELLEY. That really will not help you very much in figuring for next year, because the recruiting problem was so great last year.

Gen. McCAWLEY. I wanted to show you the money we had last year.

Mr. KELLEY. The question for the coming year is almost a question of arithmetic. You can almost get it by taking \$38 as the cost of transportation for each man that goes out and those who come back; add those together and you have it, plus the movement within the corps. I think navigation in the Navy figures 53 cents per month per man for the movement of the men inside the Navy.

REPAIR OF BARRACKS, MARINE CORPS.

Gen. McCAWLEY. For repairs of barracks, I estimated last year for \$715,500 under that subhead, and the Secretary of the Navy cut the estimate to \$250,000 and Congress gave \$250,000. In discussing the estimates with the Naval Committee, I stated that that would barely be enough to pay for rentals; the rentals alone were estimated at \$225,000, which left \$25,000 for repairs to buildings all over the world, wherever we had buildings to repair, and, of course, it was utterly insufficient. This year we will not have money enough to get through on that appropriation. No repairs have been made to buildings this year except the most urgent repairs, because we did not have the money with which to make them, and great deterioration has been the result. Next year, we will have to spend more money in building up that deterioration which has already taken place. In order to reduce the rentals and get a little more money for the purpose of making those repairs, we vacated the storehouse at Brooklyn; we have also given up the quartermaster's depot at Charleston, S. C., and moved it to the Hampton Roads Naval Base; we have also moved the assistant paymaster's office from New York to Philadelphia, at a saving of rental, and also reduced rentals in Santo Domingo from \$50,000 to about \$30,000, and in that way gained a little money to make necessary repairs. But \$250,000 is not nearly sufficient, with all the rentals we have to pay out of this appropriation, in addition to the repairs and upkeep of buildings, to carry us through.

Mr. KELLEY. Have you a list showing the stations at which repairs and improvements of barracks have been made or which you intend to make?

Gen. McCAWLEY. Actually paid or estimated.

Estimated expenses of repairs and upkeep of barracks and quarters, Marine Corps, fiscal year 1922.

Annapolis, Md.....	\$4,000
Boston, Mass.....	10,000
Cavite, P. I.....	15,000
Charleston, S. C.....	5,000
Guam.....	40,000
Guantanamo, Cuba.....	5,000
Haiti.....	12,000

Mare Island, Calif.....	\$30,000
New Orleans, La.....	2,000
New York, N. Y.....	2,500
Nicaragua.....	5,000
Norfolk, Va.....	15,000
Parris Island, S. C.....	150,000
Pearl Harbor, Hawaii.....	10,000
Peking, China.....	6,000
Pensacola, Fla.....	1,000
Philadelphia, Pa.....	15,000
Portsmouth, N. H.....	1,500
Puget Sound, Wash.....	5,000
Quantico, Va.....	200,000
San Diego, Calif.....	2,000
Santo Domingo.....	12,428
Virgin Islands.....	1,500
Washington, marine barracks.....	15,000
Washington, navy yard.....	5,000
Key West, Fla.....	1,000
Total.....	570,928

Mr. KELLEY. What you estimate of this \$500,000.

Gen. McCAWLEY. Of course, estimates for repairs so long in advance are purely conjectures; it is almost impossible to tell with any accuracy what we will absolutely have to do; it may be more or it may be less. On these buildings at Parris Island and Quantico—which are all of frame construction and built during the war in a hurry—the deterioration is very great and the upkeep and repair is very expensive. They are going to pieces very fast. Even our permanent buildings are suffering very largely by the neglect that has been occasioned by not having sufficient funds this year to keep them going. If they go another year without any repairs the deterioration will be that much greater. It is all for you gentlemen to decide, whether you want to keep them in repair or let them go to ruin.

Mr. KELLEY. It is apparent that the big expense is on the cheap construction.

Gen. McCAWLEY. Oh, yes; entirely.

Mr. KELLEY. The buildings that were put up during the war were hardly up before you had to put on new roofs.

Gen. McCAWLEY. They all have paper roofs.

Mr. KELLEY. I notice you propose to spend \$200,000 on those old buildings at Quantico, just shanties.

Gen. McCAWLEY. I urged last year, before the Naval Committee, the lack of wisdom in continuing those buildings, and urged very strongly that permanent buildings be erected in place of them; it will prove an economy in the end if you will do it, tear them down and build other buildings, which will cost a little more initially but which will last you very much longer in the end and save all of this continuous expense obtaining, putting on new roofs, and repairing foundations. These buildings are just put up on the ground, little posts being stuck in the ground, and they do not even have cement foundations.

Mr. KELLEY. How do they estimate that it will take \$200,000 at Quantico?

Gen. McCAWLEY. That is purely arbitrary.

Gen. LEJEUNE. They have not spent anything this year and the buildings are going to pieces; the roofs are leaking.

Mr. KELLEY. Have they made a statement to you showing what buildings need roofing?

Gen. LEJEUNE. A great many of them will need reroofing next year. You see, they have been there since 1917, almost four years.

Mr. KELLEY. Why do you not abandon that place and go back to Parris Island?

Gen. LEJEUNE. It would be much more expensive when you come to administer it because Parris Island is not an economical place to administer, and there would not be quarters enough down there.

Mr. KELLEY. Of course, that question is not here to-day.

Gen. LEJEUNE. We would not gain anything by abandoning Quantico. The same problems exist at Parris Island; the buildings down there will have to be repaired.

Mr. KELLEY. You have an item of \$40,000 for the station at Guam.

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. You are evidently planning to go to Guam.

Gen. McCAWLEY. We are there, sir. We have 500 men out there.

Mr. KELLEY. All of the buildings at Guam would not cost \$40,000, would they?

Gen. McCAWLEY. I do not control that end of it; I am directed to spend the money for what we have to keep going.

Mr. KELLEY. There is not anything included in this statement for rent at all.

Gen. McCAWLEY. No, sir; that is entirely exclusive of rent.

Mr. KELLEY. How much is the rent?

Gen. McCAWLEY. \$180,000.

Mr. KELLEY. Where is that rent paid?

Gen. McCAWLEY. And these are rentals exclusive of the recruiting service entirely. Washington, D. C., headquarters carpenter shop, \$900 a year; stables, \$1,380; garage, \$4,200.

Mr. KELLEY. With all the temporary buildings we have in Washington could not some arrangement be made whereby we could obviate the payment of rent for temporary quarters?

Gen. McCAWLEY. These are not temporary; these are all permanent. As I say, there is a carpenter shop which we rent at \$900 a year; a stable, at \$1,380; a garage at \$4,200. We have storehouses scattered all over Philadelphia, and the rent is \$62,033; in San Francisco, depot of supplies, \$13,800, and a storehouse at \$7,200; assistant paymaster's office in Atlanta, Ga., \$2,160; barracks for the care of the naval torpedo station at Alexandria, Va., \$900; barracks and storehouse at Cavite, \$840; barracks at Guam, \$600; headquarters of the second advance base at San Diego, Calif., \$1,260; in Haiti, barracks and offices, \$15,856; in Santo Domingo, barracks and offices, \$30,000, it was \$50,000; barracks and storehouse at the Virgin Islands, \$1,920. Those are the rentals I am required to pay out of that appropriation, so you see it leaves very little for repairs of barracks.

Gen. LEJEUNE. Give Mr. Kelley a list of the items which have been cut out.

Gen. McCAWLEY. This is the list.

Charleston, S. C.:	Annual rental.
Depot of supplies (offices).....	\$1,800
Depot of supplies (storehouse).....	35,000
(Closed, November, 1920).	
Brooklyn, N. Y., storehouse (closed Dec. 14, 1920).....	10,000
New York, N. Y., assistant paymaster's office (closed Dec. 1, 1920).....	5,600
Santo Domingo, quarters and offices, reduced from \$41,000 to \$30,000.....	11,000
Total.....	63,400

Mr. KELLEY. Where is this garage in Washington?

Gen. McCAWLEY. It is on Thirteenth Street, just below the Avenue; we keep our trucks and what few automobiles we have there; it is a brick building on Thirteenth Street NW., just south of Pennsylvania Avenue, and just south of the District Building.

Mr. KELLEY. As I recollect, the Navy Department has a garage in a big building on the Potomac Park grounds, where the Navy Building is. Have they not some extra accommodations there that you could use?

Gen. McCAWLEY. I will inquire, sir, and see if they have. I tried to get some from the Army, but I could not get any there. If they will give us space in there for our people we can give up that garage.

Mr. KELLEY. It seems as though they might do that because that is a big place.

Gen. McCAWLEY. It is very difficult to get anybody to give you anything.

Mr. KELLEY. I know, but the Navy and the Marine Corps being one organization, there ought not to be any trouble about it. Is the stable used for horses?

Gen. McCAWLEY. Yes; that is for horses. That is an old wooden stable which we have up here on Capitol Hill, on Third Street SE. We could not keep the horses and the wagons in the same place where we have the automobiles.

Mr. KELLEY. How many horses do you have in Washington?

Gen. McCAWLEY. About six or seven horses. These are mostly draft horses, except officers' mounts; there are a few officers' mounts that we have to provide a stable for under the law.

Mr. KELLEY. I think the Navy Department has a carpenter shop in that big building.

Gen. McCAWLEY. They have in the big building; yes, sir.

Mr. KELLEY. Why would not that be more convenient for you?

Gen. McCAWLEY. If they will give us space we would gladly accept it, but, as I understand, they are trying to run all of those operations out of that building, and use it entirely for office purposes. I think that is what Senator Smoot's committee is doing. They even object to storerooms in that building.

Mr. KELLEY. Storage depot of supplies at Philadelphia, \$62,000.

Gen. McCAWLEY. That has been reduced; it was \$97,000 at one time. We have tried in every way possible in Philadelphia to have an assignment made of a pier built by the Army on which there are very splendid storehouses; if we could have that pier for the use of the Marine Corps, it would centralize all of our activities in one place, but I can not get it. Nearly all of this is for storage, and we can not give it up, because there would not be any place in which to put our stores.

Mr. KELLEY. Do you use naval storehouses?

Gen. McCAWLEY. Wherever we can.

Mr. KELLEY. And do you have some naval places?

Gen. McCAWLEY. Yes; we moved the Charleston storehouse to Hampton Roads and have saved a rental there of \$35,000 a year. I am still at work on this Army proposition at Philadelphia, and hope that with the change in administration we may get some assignment there.

Mr. KELLEY. Has the Army vacant space in Philadelphia?

Gen. McCAWLEY. Oh, yes; they have plenty of store space there and are turning some of it over to the city of Philadelphia.

Mr. KELLEY. But they will not let you have any?

Gen. McCAWLEY. No; they positively refuse.

Mr. KELLEY. I notice you have placed a mark around the Brooklyn establishment?

Gen. McCAWLEY. We have vacated that.

Mr. KELLEY. What have we at Alexandria?

Gen. McCAWLEY. There is a small station there which we must guard; it is a torpedo station.

Mr. KELLEY. That was built during the war?

Gen. McCAWLEY. Yes, sir; and we are ordered to keep a guard there and we have to house them.

Mr. KELLEY. Are we going to stay over there?

Gen. McCAWLEY. That I can not tell you, sir.

Mr. KELLEY. How many Marines have you over there?

Gen. LEJEUNE. I think there are 12.

Mr. KELLEY. What about these barracks in Potomac Park?

Gen. LEJEUNE. They are Army barracks and they are going to be torn down.

Gen. McCAWLEY. They are trying to get rid of them because the city wants to use that for recreational purposes.

Mr. KELLEY. You have reduced the amount of rentals to \$180,000, and that is the least amount with which you can handle the rentals?

Gen. McCAWLEY. Absolutely.

Mr. KELLEY. Unless you can make some arrangement at Philadelphia to do away with a \$60,000 item there?

Gen. McCAWLEY. If we can get that Army space over there we can give up all of that rented space.

Mr. KELLEY. And the rest of the item is for Quantico and Parris Island, and those are the biggest items?

Gen. McCAWLEY. For repairs; yes, sir.

Mr. KELLEY. At Quantico; it is a matter of roofing and painting?

Gen. McCAWLEY. Roof repairing and repairing the supports; the supports are all giving away.

Gen. LEJEUNE. They are wood, and we want to put in concrete supports.

FORAGE, MARINE CORPS.

Mr. KELLEY. The next item is, "Forage, Marine Corps," and you had \$100,000 this year, and you want \$100,000 next year?

Gen. McCAWLEY. I asked for \$150,000 last year, and the Secretary cut it to \$100,000. I have a supplemental estimate pending before your committee now for this year of \$46,033, which would seem to show that the original estimate was not very far off. That is a pure matter of calculation.

Mr. KELLEY. Based on the forage?

Gen. McCawley. The forage for the number of animals in the service. I have no control over that.

Mr. KELLEY. How many animals have you?

Gen. McCawley. Seven hundred and fifty-two.

Mr. KELLEY. Horses and mules?

Gen. McCawley. Yes, sir; that is the total number of animals, horses and mules, and 27 private animals.

Mr. KELLEY. You figure that it will take over \$100 an animal for food?

Gen. McCawley. Based on the average price here in Washington. It costs \$18.38 a month for an animal. That really is not enough money; it should be \$120,000.

Mr. KELLEY. It all depends on what the prices are?

Gen. McCawley. The price of forage and how many animals we will have.

Mr. KELLEY. Oats and hay are the chief items?

Gen. McCawley. Yes, sir. If you carried the calculation straight through to its conclusion you would arrive at the figure \$165,861.

Mr. KELLEY. Corn in 1920 was \$1.58 $\frac{1}{2}$ per bushel, and now in 1921 it is 93 cents. Oats in 1920 were 97 cents a bushel and in 1921, 58 $\frac{1}{2}$ cents.

Gen. McCawley. I am exceedingly sorry that the paper I had has been omitted. That would give the prices right straight through. I have only the total prices.

Mr. KELLEY. I imagine if you need \$150,000 for the present year that probably \$100,000 would be all right, with the falling prices of corn and hay?

Gen. McCawley. If they do fall, all right.

Mr. KELLEY. They have fallen.

Gen. McCawley. They have not fallen enough. I require \$146,000 the present year up to July 1.

Mr. KELLEY. How much have you spent up to date?

Gen. McCawley. I have \$1,500 left to-day on forage out of the appropriation of \$100,000, with six months gone. I cut down on it to just what it really worked out and asked for only \$120,000. This year I will spend \$146,000 on forage. It is one of the items that the Secretary must create a deficiency in, because the animals must be fed, but I dislike to ask for a deficiency.

COMMUTATION OF QUARTERS, MARINE CORPS.

Mr. KELLEY. For commutation of quarters you have \$250,000 this year?

Gen. McCawley. I asked for \$548,000 and the Secretary cut it to \$250,000 and Congress gave \$250,000. That appropriation can only be spent for one purpose; that is, paying officers the commutation allowed by law for quarters not furnished in kind by the Government. It depends entirely upon the number of officers in that status. I have no control of the appropriations. It is turned over the paymaster and he pays it as an allowance at the end of the month.

Mr. KELLEY. It is just a question of mathematics?

Gen. McCawley. Absolutely.

Mr. KELLEY. You only had \$250,000 this year and you are asking for \$683,000 for next year. How much of a deficiency will you have?

Gen. McCAWLEY. I am asking for \$200,000, and I doubt very much if it will be sufficient.

Mr. KELLEY. That would be \$450,000?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. Have you more officers this year than last?

Gen. McCAWLEY. No; but we will have more next year than this year. More of them will be on the commutation status, because most of the quarters are occupied. This is also an appropriation where they will get the allowance, whether this is appropriated or not, and we will just have to ask for a deficiency, which seems unwise.

Mr. KELLEY. Does the policy of concentrating the corps at two stations, one on each coast, increase this item?

Gen. LEJEUNE. It will not increase it, because we do not allow any quarters to be vacant. We make assignments of officers so that we will save money under that head. If a post has a lot of quarters, we find a way to use them; we establish some kind of an institution there, like an officers' school. Down at Norfolk, where we have more quarters than are actually needed for the officers required for duties at that station, we established a school for training officers for duty at sea, so as to utilize the quarters. We would not locate it there except for the reason that the quarters are there; we would put the school at Quantico.

Mr. KELLEY. Have you vacant quarters in the navy yards?

Gen. LEJEUNE. No, sir; we never had sufficient quarters at any of the navy yards. At New York our former officers' quarters are used for enlisted men's barracks.

Mr. KELLEY. Have you a statement showing the distribution of these different localities?

Gen. McCAWLEY. We can easily put that in the record. Any officer who is stationed where he is not furnished quarters in kind by the Government is entitled to commutation.

Gen. LEJEUNE. There are 222 sets of officers' quarters for the Marine Corps.

Mr. KELLEY. If it is not too much work, I would like to have you put that in the record so we can see where the need for quarters seems to be.

Gen. McCAWLEY. Yes, sir. By stations?

Mr. KELLEY. Yes, sir; the number of officers at each station drawing commutation of quarters.

Gen. McCAWLEY. Yes, sir. In addition to the payments made from my appropriation, the paymaster also makes payments to officers serving at stations where there are no troops and no public quarters.

Statement of public quarters and monthly average, number of officers on commutation status during the fiscal year 1920.

Station.	Number public quarters.	Number of officers on com- mutation status.
Marine barracks:		
New York, N. Y.....		30
Boston, Mass.....	4	10
Portsmouth, N. H.....	4	8
Iona Island, N. Y.....	1	3
Newport, R. I.....		5
Dover, N. J.....		4
New London, Conn.....		6
Hingham, Mass.....	2	3
Annapolis, Md.....	1	3
Indian Head.....		3
Norfolk, Va.....	9	4
Navy yard, Washington, D. C.....	4	1
St. Juliens Creek.....	1	2
Washington, D. C.....	6	5
Yorktown, Va.....		1
Marine barracks:		
Philadelphia, Pa.....	20	51
Fort Mifflin.....		1
Parris Island.....	64	10
Charleston, S. C.....	4	6
Key West, Fla.....	2	1
New Orleans, La.....	1	4
Pensacola, Fla.....	2	2
Mare Island, Calif.....	7	45
San Diego, Calif.....		16
Marine barracks:		
Puget Sound, Wash.....	7	1
Pearl Harbor.....	5	11
Quantico, Va.....	65	225
U. S. S. Henderson.		30
American Expeditionary Force, France.....		67
Marine topographical detachment, France.....		4
Demobilization camp, Charleston, S. C.....		10
Camaguan, Cuba.....		10
San Juan, Cuba.....		21
Haiti.....		69
Managua, Nicaragua.....	4	3
Peking, China.....	6	10
Dominican Republic.....		134
Virgin Islands.....	3	15
Total.....	222	834

Mr. KELLEY. On page 105 of the bill there is an item, "For commutation of quarters for officers on duty without troops where there are no public quarters." This is for the same men?

Gen. McCRAWLEY. That commutation is for officers who are serving at stations where there are no troops and no quarters.

Mr. KELLEY. Why not consolidate those two items?

Gen. McCRAWLEY. They could be consolidated. You could take it out of my appropriation and transfer it to the paymaster, if you see fit, and let him pay the whole thing.

Mr. KELLEY. There would be no objection, as far as the administration is concerned?

Gen. McCRAWLEY. No, sir.

Mr. WOOD. Are both items administered by the same officer now?

Gen. McCRAWLEY. No, sir; by two officers.

Mr. KELLEY. If we put that on page 105, it would all be administered by the paymaster?

Gen. McCRAWLEY. Yes, sir.

Mr. KELLEY. Would that save you any clerks?

Gen. McCAWLEY. No, sir; he pays it now. That is an interbureau affair. At present, instead of drawing two checks and letting an officer have two checks for his monthly allowance, I transfer that to the paymaster and he gives it all to him in one check.

Gen. LEJEUNE. He pays all of that item now.

Gen. McCAWLEY. If you do make that change and transfer it to the paymaster, care should be taken to include the wording in the latter part of commutation of quarters as it exists in my appropriation, in order to take care of the commutation of enlisted men employed as clerks and messengers. You will see the wording of it there. I wish to direct attention to that so that you will have it before you.

Mr. KELLEY. Very well.

CONTINGENT, MARINE CORPS.

The next item is, "Contingent, Marine Corps." This year you have \$2,740,322, and you are asking for \$5,500,000 on the basis of 27,000 men. How much are you asking on the basis of 20,000 men?

Gen. McCAWLEY. On the basis of 20,000 men I am asking for \$4,303,000.

Mr. KELLEY. Have you a deficiency this year?

Gen. McCAWLEY. Yes, sir. I am asking for a deficiency—I believe they preferred to call them "supplemental estimates"—of \$1,383,046. Last year I asked for \$4,291,186, which the Secretary cut to \$2,740,322, and Congress appropriated that amount. That is not enough.

Mr. KELLEY. Let us go through the analysis of it. Have you a statement showing just how this is to be expended?

Appropriation "Maintenance, Quartermaster's Department, Marine Corps, 1922," analysis of subhead "Contingent."

[Estimated 1922, 20,000 men.]

Civilian labor.....	\$730,000
Freight and express.....	574,000
Stationery and office supplies.....	473,100
Telegraph and telephone service.....	40,100
Purchase and repair of typewriters.....	10,000
Apprehension of stragglers and deserters.....	4,500
Extra-duty pay, enlisted men.....	
Purchase, installation, and maintenance of gas, electric, sewer, and water pipes, etc.....	146,000
Camp and garrison equipage and barracks furniture.....	339,000
Mess utensils for enlisted men.....	35,000
Mess utensils for officers' messes.....	1,500
Packing boxes, wrapping paper, carpenters' tools, etc.....	45,000
Purchase, hire and repair of harness, wagons, and motor vehicles.....	330,000
Purchase and hire of public horses and mules.....	5,000
Veterinary services and medicine for public animals.....	3,500
Purchase of mounts and horse equipment for officers below rank of major.....	2,500
Horseshoeing.....	5,500
Fire apparatus, fire extinguishers, carts, etc.....	10,000
Postage stamps.....	9,000
Books, newspapers, and periodicals.....	18,000
Improving parade grounds.....	109,500
Repairs, etc., of wharves and pumps, water.....	73,000
Packing and crating.....	12,000
Disinfectants, cleansers, etc.....	15,000
Construction and maintenance of laundries.....	73,000
Burial expenses.....	1,500

Advertising.....	\$500
Printing and binding.....	73,000
Purchase and repair of computing machines.....	500
Furniture for officers.....	15,000
Furniture for officers' quarters.....	73,000
Emergency and miscellaneous expenses.....	29,000
Washing and cleaning bed linen, towels, and articles of regulation clothing in use by enlisted men.....	730,000
Lubricants.....	48,600
Vacuum cleaners.....	500
Purchase and installation of heating systems, stoves, and plumbing supplies.....	219,000
Machinery and equipment (Philadelphia depot).....	48,000
 Total.....	 4,303,000

Gen. McCawley. Yes, sir. You understand, Mr. Chairman, that this is the appropriation from which every incidental expense which is not covered by some other subhead of the appropriation must be paid from. This is what we have frequently referred to as the great housekeeping appropriation of the Marine Corps. Reference to the wording of the act itself will show the great variety of expenditures that must be made from this appropriation, and the demands come from every post of the corps for all of these incidental expenses. It is the most difficult of all appropriations to handle, as there are expenditure demands for things that you simply can not avoid. I have attempted to group these things so as to give you some intelligent understanding of the manner in which the expenditures are to be made, but it is really a very faint illustration of the expenditures which are made for this fund. The grouping has been consolidated as much as possible, but there are many, many items that are paid from this appropriation that do not appear here at all. The last words of the appropriation are for such other objects as it is impossible to anticipate or classify, which illustrates what I mean.

CIVILIAN LABOR.

Mr. KELLEY. Take the item of civilian labor, \$730,000, and just give us a little more idea about that. This says 20,000 men.

Gen. McCawley. Yes, sir.

Mr. KELLEY. In 1916 this item was \$460,000, with a deficiency of \$102,000?

Gen. McCawley. We then only had 10,000 men.

Mr. KELLEY. That was \$562,000. Your first item here is \$200,000 more than the entire appropriation before the war.

Gen. McCawley. We did not have Quantico and Parris Island then, sir.

Mr. KELLEY. You had Parris Island?

Gen. McCawley. Not to any such extent as now. We had a very small post at Parris Island, taken over from the Navy, which accommodated probably 500 or 600.

Mr. KELLEY. At Quantico what do the civilian employees do; how many are there?

Gen. LEJEUNE. We cut off about \$200,000 from what we spent last year. If you cut the men, you can not very well cut the civilians.

Gen. McCawley. There is a list showing the employees at Quantico.

Mr. KELLEY. That can be put in the record as an illustration of what the civilian employees are used for at that place?

Gen. McCAWLEY. Yes, sir. I do not wish to conceal anything, it is all open to public inspection.

Civilian employees at marine barracks, Quantico, Va.

Engineman, steam shovel.....	1	Oilers (at same places).....	8
Machinists.....	4	Leadingman, carpenter.....	1
Butchers.....	2	Carpenters.....	14
Farrier.....	1	Engineman (at shipyard).....	1
Inspector of construction.....	1	Electrician (at shipyard).....	1
Leadingman, engineman.....	1	Chief laundryman.....	1
Head stockmen.....	1	Assistant chief laundryman.....	1
Stockmen.....	6	Chief marker and sorter.....	1
Boxmakers.....	2	Markers and sorters.....	3
Storeman.....	1	Apprentice markers and sorters.....	3
Clerks and typists.....	9	Electrician's helper (laundry).....	1
Leadingman, electrician.....	1	Fireman.....	1
Electricians.....	5	Forewoman.....	1
Electricians' helpers.....	2	Laundrymen.....	7
Painters.....	6	Press operators.....	17
Cementers.....	2	Mangle hands.....	21
Brick mason.....	1	Quarterman laborer.....	1
Helper, carpenter shop.....	1	Leadingman, laborers.....	2
Oiler, carpenter shop.....	1	Laborers.....	64
Plumbers.....	5		
Sheet-metal worker.....	1	Total.....	216
Plumbers' helpers.....	5		
Enginemens (power plant, water-works and refrigerating plant)....	8		

Mr. KELLEY. You had 216 civilian employees at Quantico on January 19, 1921?

Gen. McCAWLEY. Yes, sir. Gen. Lejeune has reduced the number.

Gen. LEJEUNE. We cut off about 40 per cent this year from last year, and we expect to make a further cut by using the enlisted men.

Mr. KELLEY. By letting the boys do the work?

Gen. LEJEUNE. Yes, sir; that is what we expect to do. Gen. Butler—you know him—

Mr. KELLEY. Yes, sir.

Gen. LEJEUNE. He has been working on that constantly. There is no man in the Marine Corps who is more anxious to secure economy than he and I.

Gen. McCAWLEY. I invited attention—

Gen. LEJEUNE. Gen. McCawley brought it to my attention. We had a conference early in July and we cut Parris Island and Quantico fully 40 per cent below what they had the previous year. We are going to cut still further next year.

Gen. McCAWLEY. None of this existed in 1916; we did not have one man there at this base.

Gen. LEJEUNE. At the navy yards the heat and light is usually furnished from the navy yard plants.

Mr. WOOD. What do you use the 14 carpenters for?

Gen. McCAWLEY. Trying to hold the buildings in repair.

Gen. LEJEUNE. You should see those buildings. Last year the committee came down and looked at the buildings and they authorized an allotment of funds to convert a lot of the buildings into officers' quarters. That is being done by enlisted men's labor. It is costing about \$1,200 a house, and that will be paid for by commu-

tation in less than two years. The same way with the enlisted men's quarters and the noncommissioned officers' quarters.

Mr. WOOD. You have 12 press operators; what do they do?

Gen. McCAWLEY. I think they are employed in the laundry.

There is another very considerable item of expense in this appropriation that is not due to any neglect on our part, and that is the increase in freight and express charges, caused by rulings of the Interstate Commerce Commission which went into effect last August and which will increase the expenditures out of this appropriation far beyond anything that we anticipated when the estimates were made, and far beyond any expenditures which we have made before.

Mr. KELLEY. How about the telegraph and telephone service, is that being held down pretty generally?

Gen. McCAWLEY. Yes, sir. The officers are required to cut down telephone and telegraph expenditures to the very lowest necessities of the service.

Mr. KELLEY. Do they not still use the long-distance telephone when a letter would do just as well?

Gen. McCAWLEY. Not as much. It is only done where it is absolutely necessary.

Gen. LEJEUNE. Every time I go to a post I talk to every officer about the necessity of economy, and it has had an effect.

Mr. KELLEY. This item has reached a million dollars in the Navy.

Gen. McCAWLEY. It is only \$40,000 with us.

Gen. LEJEUNE. Every effort is made to economize in these as in all other matters.

Gen. McCAWLEY. Our orders are very strict on that; I could file them.

Mr. KELLEY. This includes the freight on the coal?

Gen. McCAWLEY. Yes, sir; on everything; all freight from whatever source is paid for out of this contingent fund, the transportation of all supplies.

Gen. LEJEUNE. If you should go down to Haiti or Santo Domingo you would see them hauling supplies with carts and pack trains going over the mountains. We have to hire those pack trains.

Mr. KELLEY. Is there any other appropriation for maintenance of buildings and grounds out of which money could be used?

Gen. McCAWLEY. Only the repairs of buildings, sir.

Mr. KELLEY. Take the repair of water pipes in a building?

Gen. McCAWLEY. That is all paid for out of this appropriation.

Mr. KELLEY. Have you bought any new furniture out of this appropriation?

Gen. McCAWLEY. Absolutely no; we have not bought any furniture this year, and it is getting in a dilapidated condition.

Gen. LEJEUNE. There was an order issued last June not to buy any furniture for officers' quarters this year.

MAINTENANCE OF MOTOR VEHICLES.

Mr. KELLEY. \$330,000 seems to be a very large sum for the maintenance of motor vehicles?

Gen. McCAWLEY. The upkeep of the motor equipment of the corps is a very large sum, sir; necessarily so; and getting worse all

the time because our motor transportation is gradually wearing out, particularly the passenger transportation, which has a prohibition on it by Congress for the purchase of any new equipment. There is a time coming when we will have no passenger equipment whatever and will have to go back to horses and carriages. I think probably in another year our passenger equipment will have been exhausted entirely. If Congress is going to keep that restriction on the purchase of passenger transportation it will have to greatly increase the appropriation for the procurement of animals, forage, and vehicles to transport people.

Mr. KELLEY. You are not figuring on buying any?

Gen. McCAWLEY. We can not do it. We can buy freight-carrying vehicles.

Mr. KELLEY. Can not you get the others from the Army?

Gen. McCAWLEY. If we could get them from the Army, that would be all right, but they will not give us any.

Gen. LEJEUNE. They say that they have not any available for transfer to the Marine Corps.

Gen. McCAWLEY. We have tried in every possible way to get motor vehicles from the Army, but they have not any.

Mr. KELLEY. You did not anticipate the removal of the limitation on purchases when you made this estimate of \$330,000?

Gen. McCAWLEY. No, sir. This item only provides for freight-carrying vehicles. There is a law which would not permit the passage through the Treasury of any account that I sent in there for a passenger-carrying vehicle.

Mr. KELLEY. I did not know whether you anticipated the removal of the limitation.

Gen. McCAWLEY. No, sir; not at all. The upkeep of motor vehicles in the Tropics is very great; the wear on tires, the wear on the cars themselves, the machinery, is perfectly tremendous, and the spare parts we have to buy represent a very expensive item.

Gen. LEJEUNE. The roads are very bad there; the roads are over mountains and are very rough; they wear out the trucks quite rapidly.

STATIONERY AND OFFICE SUPPLIES.

Mr. KELLEY. You have a large item of \$473,100 for stationery and office supplies. How is that made up?

Gen. McCAWLEY. I will give you the list submitted to me by Gen. Radford, who procures that stationery and issues it for the entire corps. There is the list. That is just for Gen. Radford's depot alone, totaling over \$376,000; the balance is for other stationery and supplies procured through headquarters, supplies that are not procured by Gen. Radford's office. This list shows what he purposed buying for the upkeep of the corps at his depot.

ITEMIZED ESTIMATE, FISCAL YEAR 1922.

Stationery supplies.

Description.	Quantity.	Estimated cost.
Bristol board, 22 $\frac{1}{2}$ by 28 $\frac{1}{2}$ inches, white.....	pounds.. 1,200	\$140.00
Brushes, typewriter, machine.....	dozen.. 100	.90.00
Cards, guile, 3 by 5 inches, 25-subdivision, alphabetical.....	sets.. 2,000	400.00
Cards, index, plain, 3 by 5 inches.....	500,000	750.00
Cards, index, ruled, 3 by 5 inches.....	500,000	1,000.00
Clips, Gem, No. 1.....	boxes.. 20,000	800.00
Baskets, wire deck.....	2,000	240.00
Blotters, hand.....	1,000	210.00
Cloths, ink, mimeograph.....	dozen.. 25	25.00
Cloth, tracing.....	rolls.. 200	3,800.00
Cups, sponge.....	1,000	60.00
Cushion keys, typewriter, No. 4.....	200	400.00
Cushion keys, typewriter, No. 5.....	50	100.00
Erasers, steel.....	1,000	400.00
Erasers, Art gum, $\frac{1}{2}$ inches square.....	dozen.. 100	26.00
Erasers, ruby, rubber.....	do.. 400	82.00
Erasers, rubber, typewriter, circular, with brush.....	do.. 100	45.00
Erasers, rubber, typewriter, circular.....	do.. 300	60.00
Erasers, rubber, desk use.....	do.. 800	200.00
Fasteners, paper, Acco No. 1.....	boxes.. 5,500	2,200.00
Fasteners, paper, round-head, brass, No. 1.....	do.. 1,500	150.00
Fasteners, paper, round-head, brass, No. 2.....	do.. 4,000	450.00
Files, prong, simplex.....	300	825.00
Folders, letter size, $\frac{1}{2}$ -cut.....	150,000	1,800.00
Folders, letter-size, square-cut.....	50,000	600.00
Inkstands, safety.....	1,000	130.00
Inkstands, square.....	100	12.00
Inkstands, metal top.....	1,600	2,400.00
Ink, stamp pad.....	2,000	1,000.00
Machines, pencil pointing.....	500	375.00
Mudflage, prints.....	dozen.. 50	175.00
Oil, typewriter, bottles.....	do.. 200	86.00
Pads, desk.....	1,600	640.00
Pads, memorandum, 5 $\frac{1}{2}$ by 8 inches, ruled.....	15,000	900.00
Pads, memorandum, 5 $\frac{1}{2}$ by 8 inches, plain.....	10,000	600.00
Pads, memorandum, 8 by 10 $\frac{1}{2}$ inches, plain.....	25,000	3,000.00
Pads, memorandum, 8 by 10 $\frac{1}{2}$ inches, ruled.....	20,000	8,000.00
Paper, adding machine, 24 inches.....	rolls.. 500	33.75
Paper, blotting, 19 by 24 inches, granite.....	reams.. 20	240.00
Paper, blotting, 19 by 24 inches, green.....	do.. 20	300.00
Paper, blue print.....	rolls.. 300	1,800.00
Paper, toilet.....	do.. 100,000	12,000.00
Paper, carbon, black, 8 by 10 $\frac{1}{2}$ inches.....	boxes.. 8,000	4,480.00
Paper, carbon, black, 8 by 13 inches.....	do.. 3,000	1,800.00
Paper, carbon, black, 9 $\frac{1}{2}$ by 13 inches.....	do.. 500	400.00
Paper, impression, 8 by 10 $\frac{1}{2}$ inches.....	reams.. 2,000	2,080.00
Paper, impression, 8 by 13 inches.....	do.. 6,000	7,500.00
Paper, ledger, 16 by 21 inches, white.....	do.. 100	588.00
Paper, manifolding, 8 by 10 $\frac{1}{2}$ inches, white.....	do.. 4,000	3,200.00
Paper, typewriter, 8 by 10 $\frac{1}{2}$ inches, white.....	do.. 6,000	6,000.00
Paper, wrapping, Kraft, 30 by 40 inches.....	pounds.. 10,000	1,200.00
Paper, wrapping, Kraft, 36 by 40 inches.....	do.. 10,000	1,400.00
Paste, photo-library, 8-ounce jars.....	dozen.. 150	382.50
Pencils, Nos. 1, 2, 3, 4 grades.....	do.. 12,000	5,250.00
Penholders, No. 1.....	do.. 350	105.00
Penholders, No. 2.....	do.. 600	198.00
Penholders, No. 3.....	do.. 500	180.00
Pen racks.....	200	24.00
Ribbons, typewriter, $\frac{1}{2}$ -inch, black.....	dozen.. 1,000	2,550.00
Rulers, 12-inch.....	500	100.00
Shears, office.....	1,200	1,200.00
Stamp racks.....	1,000	190.00
Twine, No. 12.....	pounds.. 5,000	2,100.00
Twine, No. 24.....	do.. 7,000	2,920.00
Twine, No. 60.....	do.. 7,500	4,100.00
Tags, shipping, linen, No. 2.....	10,000	26.50
Tags, shipping, manila, No. 8.....	200,000	600.00
Wax, sealing.....	pounds.. 200	144.00
Weights, paper.....	500	90.00
Stationery, total.....		91,962.75

Envelopes for stock and issue at this depot, purchase for which is made under Postmaster General Schedule..... \$18,081.10
 Miscellaneous open-purchase items..... 1,793.63
 Postage..... 2,200.00
 Rubber hand stamps..... 1,500.00
 Miscellaneous printing at this depot: Letterheads, stock cards, envelopes, blank forms (small job lots) in emergency requisitions..... 7,893.22

Publications.

Description.	Quantity.	Estimated cost.
Army Cooks Manual.....	500	\$250.00
Binders, S. of A.....	3,000	2,600.00
Cavalry Drill Regulations.....	100	50.00
Compilation of General Orders, etc.....	500	250.00
Description and Rules for the Management of the United States Rifle.....	2,000	800.00
Dictionaries.....	300	600.00
Drill Regulations for Field Artillery (H. and L.), vols. 1-4.....	300	120.00
Engineer Field Manual.....	1,000	1,000.00
Field Service Regulations, U. S. Army.....	1,500	1,125.00
Field Service Pocketbook.....	1,000	400.00
Handbook for the Browning Automatic Rifle.....	1,000	50.00
Handbook for the Browning Machine Gun.....	500	50.00
Horses, Saddles, and Bridles.....	50	125.00
Infantry Drill Regulations, U. S. Army.....	2,000	300.00
Instructions for the Use of Rifle and Hand Grenade.....	200	6.00
Manuals for Commanders of Infantry Platoons.....	1,000	200.00
Manuals Infantry Guard Duty.....	1,000	250.00
Military Maps Explained (Eames).....	100	85.00
Military Sketching and Map Reading.....	100	76.00
Military Sketching and Map Reading for Noncommissioned Officers.....	500	500.00
Naval Courts and Boards.....	1,000	750.00
Rules of Land Warfare.....	1,000	500.00
Small Arms Firing Manual, U. S. Army.....	1,000	500.00
System of Accountability, U. S. Marine Corps.....	2,000	4,900.00
The Landing Force Manual, U. S. Navy.....	2,000	2,000.00
Uniform Regulations, U. S. Marine Corps.....	3,000	2,700.00
U. S. Navy Regulations.....	1,000	830.00
Total.....		51,784.95

Printing.

Blank forms, books, etc., that will be required by the Quartermaster's, Adjutant, and Inspector's and Paymaster's Department (to be printed at the Government Printing Office):	
Quartermaster's Department.....	\$150,620.00
Adjutant and Inspector's Department.....	18,644.00
Paymaster's Department.....	31,793.20
	201,057.20

Summary.

Stationery supplies.....	\$91,962.75
Envelopes.....	18,081.10
Miscellaneous open purchase items.....	1,793.63
Postage.....	2,200.00
Rubber hand stamps.....	1,500.00
Miscellaneous printing at this depot.....	7,893.22
Publications.....	51,784.95
Printing at Government Printing Office.....	201,057.20
	376,272.85

NOTE.—The above is a minimum estimate for a strength of 20,000 men. Should the Marine Corps strength of 27,400 be authorized the above estimates should be increased by 33½ per cent.

Gen. LEJEUNE. That includes toilet paper and other items of that kind.

Mr. KELLEY. The summary he gives is as follows: Stationery and supplies, \$91,962.75; envelopes, \$18,081.10; miscellaneous open purchase items, \$1,793.63; postage, \$2,200; rubber hand stamps, \$1,500; miscellaneous printing at this depot, \$7,893.22; publications, \$51,784.95; printing at the Government Printing Office, \$201,057.20, making a total of \$376,272.85, as the requirements at the depot of supplies at Philadelphia.

Gen. McCAWLEY. Those are the purchases he would make out of that fund, but there are other purchases.

Mr. KELLEY. He buys these supplies and distributes them to the entire corps?

Gen. McCAWLEY. To the service, yes; but there are other supplies which would come out of that item stationery and office supplies that he would not procure. That is just his list.

Mr. KELLEY. That is to say, he asks for \$376,000?

Gen. McCAWLEY. Out of the \$473,000.

Mr. KELLEY. For the things I have read, for distribution throughout the entire service.

Gen. McCAWLEY. Yes, sir.

PUBLICATIONS.

Mr. KELLEY. Take the item of publications; that item is based on how many men?

Gen. McCAWLEY. That is based on 20,000 men, sir.

Mr. KELLEY. Would it make a difference about the number of new enlistments?

Gen. McCAWLEY. I do not think it would make any differernce.

Mr. KELLEY. I notice an item for cavalry drill regulations.

Gen. McCAWLEY. Probably those are renewals; those books wear out pretty quickly.

Mr. FRENCH. I was wondering whether this item would be included in that, the very beautifully colored and descriptive posters that we see everywhere.

Gen. McCAWLEY. They do not come out of that at all; they come out of the recruiting service.

Mr. KELLEY. This just covers publications that are required in the training of the men.

Gen. McCAWLEY. That is all, sir.

Mr. KELLEY. I notice here Army cooks' manual.

Gen. McCAWLEY. Yes, sir.

Gen. LEJEUNE. That is for training the cooks. We have great difficulty in getting men who can cook properly.

Gen. McCAWLEY. Those are handled by men with dirty hands, very frequently, and they wear out very quickly.

Mr. KELLEY. So it means pretty nearly a new supply every year.

Gen. McCAWLEY. Yes, sir.

Gen. LEJEUNE. It is very difficult to get men who can cook, so that we have to teach them to cook.

Mr. KELLEY. The stationery item amounts to \$91,962.75. Do you supply the men with stationery?

Gen. McCAWLEY. No, sir.

Mr. KELLEY. It is for the official business of the corps?

Gen. McCAWLEY. Yes, sir.

Mr. KELLEY. Does this cover all of it? Is there any other stationery account?

Gen. McCAWLEY. Oh, yes; we have some other stationery, books, and things of that kind. Many purchases are made when they can not get things in time from the Philadelphia depot. They want stationery and office supplies, and we approve requisitions permitting them to get the supplies at the local places, and it might be cheaper to do it.

Mr. KELLEY. This includes toilet paper as well as stationery?

Gen. McCAWLEY. I have grouped that under this heading because it is paper.

CAMP AND GARRISON EQUIPAGE.

Mr. KELLEY. This item of camp and garrison equipage and barracks furniture, \$339,000—what about that?

Gen. McCAWLEY. Well, I have a list, submitted by Gen. Radford, which will show you these items. They are all embraced in the list he furnished me, which was based on the idea of 27,400 men. Of course that will have to be very materially reduced, but these are the items.

Mr. KELLEY. How much did they foot up when he asked you for the original amount?

Gen. McCAWLEY. \$1,115,698.

Mr. KELLEY. For furniture and camp equipment?

Gen. McCAWLEY. Just look at the variety of things and that will give you some idea of what they are. You will see some of the problems that have to be dealt with in the administration of these appropriations, and the things that have to be procured.

Mr. KELLEY. This seems to be a long list of materials of all kinds used either for the men or for the animals.

Gen. McCAWLEY. Yes, sir; and I have grouped them under that one head. That seems like a big sum of money under one head, but if you took every single item in that appropriation of contingent, and put down the expenditures under it, you would have an immense list to consider.

Mr. KELLEY. There does not seem to be much furniture estimated for in the list.

Gen. LEJEUNE. That relates to barracks chairs for enlisted men.

Mr. KELLEY. I was looking for furniture, but do not see any, as it is generally thought of.

Gen. McCAWLEY. We are not going to buy any.

ASSORTED LAMPS.

Mr. KELLEY. Here is an item of assorted lamps, 22,000 lamps. Are they kerosene lamps or electric lights?

Gen. LEJEUNE. They are kerosene lamps; they are used around garrisons and camps; they are the regular lanterns that the men carry around. They light the tents with them.

Mr. KELLEY. I see you have a great deal more paper in here.

Gen. McCAWLEY. Very likely, sir. You see how much is used in trying to illustrate my needs.

Mr. KELLEY. Field ranges—are they stoves?

Gen. McCAWLEY. They are cooking stoves.

Mr. KELLEY. There are 350 of those. I should think you would have had a great many ranges left over from the war.

Gen. McCAWLEY. He has a certain number, but they wear out very quickly in the field; they have to burn anything in them they can get hold of, and they do not take very great care of them in the field, or of anything.

Mr. KELLEY. This is a list of supplies that disappear almost within the year.

Gen. McCAWLEY. Absolutely; they are dropped from the return.

Mr. KELLEY. Screw drivers and saucers.

Gen. LEJEUNE. The breakage of china is very great; we have the heaviest china we can buy, but there is a great deal of breakage.

Mr. KELLEY. Twelve thousand hand towels, \$15,000; 30 motor trucks, \$99,000—but you have cut out that item.

Gen. McCAWLEY. Yes, sir.

MOTOR TRUCKS.

Mr. KELLEY. He wanted 30 motor trucks?

Gen. McCAWLEY. Yes, sir; I think that is the number we had down and which we hoped to buy, 30 motor trucks.

Mr. KELLEY. I do not suppose you could put in the record a statement which would parallel the clauses in this item.

Gen. McCAWLEY. You mean, give you the expenditures under each item?

Mr. KELLEY. Yes.

Gen. McCAWLEY. I could do it, but I do not think you would have a bill big enough to hold them.

Mr. KELLEY. You mean it would not be of any value.

Gen. McCAWLEY. No.

Mr. KELLEY. Then I wish you would put in the record a statement that will be illuminating, but not too voluminous, showing just how the money appropriated—if it is appropriated—under this item will be applied.

Gen. McCAWLEY. Do you want it more in detail than the one you have just read over?

Mr. KELLEY. I think not.

Gen. McCAWLEY. I grouped that as well as I could.

ADVANCE BASE MATERIAL.

Mr. KELLEY. Now, a few general questions. Advance base material. Can you tell us about that?

Gen. LEJEUNE. Yes; I have that data here. That is for material furnished by the Bureau of Ordnance and does not come out of our appropriations.

Mr. KELLEY. You have an item for 37-millimeter guns and spare parts, \$37,000.

Gen. LEJEUNE. The 37-millimeter gun is a gun used by the Infantry organizations.

Mr. KELLEY. Have you not all the guns you want without buying any more?

Gen. LEJEUNE. We only have three or four of those.

Mr. KELLEY. Has not the Navy all the guns it needs?

Gen. LEJEUNE. These are Army guns.

Mr. KELLEY. But has not the Navy all of those guns it needs?

Gen. LEJEUNE. The Navy has none of these guns.

Mr. KELLEY. You want to have these 16 guns on hand and kept in storage?

Gen. LEJEUNE. No, sir; they are all for use by troops; they will be needed in the field.

Mr. KELLEY. It must be that the Army has storehouses full of these guns. Suppose you do not get that this year—how are you going to handle things? Just the same as you did last year?

Gen. LEJEUNE. We will have to do without them.

Mr. KELLEY. Has the Army any of these guns?

Gen. LEJEUNE. The Army has none that they will give us gratis. To get them, we will have to transfer funds.

Mr. KELLEY. They have great quantities of them, have they not?

Gen. LEJEUNE. They claim not.

Mr. KELLEY. Two tank trucks, \$9,000.

Gen. LEJEUNE. That goes along with the outfit to transport gasoline for the vehicles that are used in the signal work; telephone trucks, reel trucks.

Mr. KELLEY. These are pretty hard times to be buying new guns and new trucks. How about the item of \$251,000 for advance base ammunition?

Gen. LEJEUNE. We ought to have that.

Mr. KELLEY. Is that contingent on those 16 guns?

Gen. LEJEUNE. No; the ammunition for those guns is only a very small item, \$21,000.

Mr. KELLEY. Where are you going to use the rest of this ammunition?

Gen. LEJEUNE. It is to have it available for the heavy guns we have.

Mr. KELLEY. This is a surplus you want?

Gen. LEJEUNE. We have none now.

Mr. KELLEY. You want to create a reserve?

Gen. LEJEUNE. We want it on hand for use.

Mr. KELLEY. Have we not great quantities of ammunition, either in the Army or in the Navy?

Gen. LEJEUNE. Not that particular variety of ammunition; it is ammunition for the heavy guns for use on shore, and the Navy has its ammunition for its ship guns. You could cut that appropriation. How much does the appropriation amount to?

Mr. KELLEY. \$251,000.

Gen. LEJEUNE. Give us \$125,000 this year.

Mr. KELLEY. We ought to eliminate the purchase of guns and ammunition this year.

Gen. LEJEUNE. You just make that \$125,000 and we will get along on it next year.

Mr. KELLEY. You would not use a pound of that ammunition if we gave you every bit of it.

Gen. LEJEUNE. We ought to have it.

Mr. KELLEY. You would not use a pound of it next year.

Gen. LEJEUNE. We would use part of it for target practice, and if an emergency should arise we would need it badly.

Mr. KELLEY. You would not use many of these big guns?

Gen. LEJEUNE. We expect to. We have to train the men to use them. It is just as important to train our men with these guns as it is for the Army and Navy to train their men.

Mr. KELLEY. They are the same kind of guns that the Army has?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. They have their storehouses of ammunition?

Gen. LEJEUNE. We can not obtain any from the Army without a transfer of funds.

Mr. KELLEY. We are hiring all the places we can find on both coasts simply for the ammunition.

Gen. LEJEUNE. For the Navy?

Mr. KELLEY. Yes, sir.

Gen. LEJEUNE. That will not fit these guns.

Mr. KELLEY. It is the same as used by the Army?

Gen. LEJEUNE. Yes.

Mr. KELLEY. There are certain things that we have to do. If there is something that you just want to put into a storehouse and wait for some emergency, maybe we could get along without that, particularly when we have so many guns and so much ammunition stored. You see the point?

Gen. LEJEUNE. Yes, sir.

Mr. KELLEY. We do not want to buy anything or make anything just to put in a storehouse.

Gen. LEJEUNE. Then give us half of that, that is one-quarter of the original amount asked for.

Mr. KELLEY. You have cut off half of it and it is up to us to be as generous.

Gen. LEJEUNE. When these things were put in, after consultation with Admiral McVay, one-half was cut.

FIRE CONTROL FOR ADVANCE BASE.

Mr. KELLEY. Then you have an item of fire control for advance base, \$100,000. That is for these same guns?

Gen. LEJEUNE. Yes, sir; but the fire control is necessary if we use the guns.

Mr. KELLEY. If you do not have the ammunition?

Gen. LEJEUNE. No; I would not admit that. We have to have the fire control; you can not make that overnight. I would rather see you cut the whole ammunition out than to cut that item out.

Mr. KELLEY. I am a little surprised, General, that you have not shown any more signs of economy?

Gen. LEJEUNE. I did economize on this by cutting off 50 per cent.

Mr. KELLEY. The next item is four reel trucks for advance base, \$18,000?

Gen. LEJEUNE. That is for signalling.

Mr. KELLEY. To run the telegraph?

Gen. LEJEUNE. Telegraphs and telephones.

Mr. KELLEY. You may not have to run those trucks?

Gen. LEJEUNE. We have to use them very frequently. We use them in Haiti and Santo Domingo now.

Mr. KELLEY. The Army has enough reels to go around the world?

Gen. LEJEUNE. But we would have to pay for them if we obtained them from the Army.

Mr. KELLEY. The Government ought to be able to handle that. Your Corps should tie up with the Army, where they have dead loads of reels?

Gen. LEJEUNE. We would have to buy them from the Army.

Mr. KELLEY. They would not sell, would they?

Gen. LEJEUNE. Yes; they sell things to us. Anything we want to buy, we can buy from the Army, provided the articles can be spared.

Gen. McCawley. Nearly every day I write a letter asking for articles to be paid for by transfer of funds and we get them very

promptly and very courteously, but when we ask to have them come out of their surplus property, they say they have not any surplus. They want the money. They are short of money. When they sell anything like that, the money goes back to their appropriation.

Mr. KELLEY. What about the four telephone trucks, \$18,000?

Gen. LEJEUNE. We should have them. We use them in the field. All the stations in Haiti and Santo Domingo are now connected by telephones.

Mr. KELLEY. This is a reserve proposition pure and simple?

Gen. LEJEUNE. Not entirely. These articles are intended primarily for the advance base force for service with the fleet, but when we send an expedition as we did send one to Vera Cruz in 1914, we use a lot of that kind of material.

SATURDAY, JANUARY 22, 1921.

BUREAU OF SUPPLIES AND ACCOUNTS.

STATEMENTS OF REAR ADMIRAL C. J. PEOPLES, ACTING CHIEF BUREAU OF SUPPLIES AND ACCOUNTS, AND MR. CLYDE REED, SPECIAL ASSISTANT.

PAY, MISCELLANEOUS.

Mr. KELLEY. We have with us this afternoon Admiral Peoples, Acting Chief of the Bureau of Supplies and Accounts. The first thing we will take up, Admiral, will be "Pay, miscellaneous," on page 3 of the bill. I think we had better run through that item by clauses, establishing the amount required for each clause.

Admiral PEOPLES. I would like to make a preliminary statement giving the history of this estimate, if I may.

(The statements referred to follow:)

Pay, miscellaneous, 1922.

The estimate for 1922 as submitted by Supplies and Accounts was.....	\$7,624,028
As submitted to Congress by the Secretary.....	6,000,000
Amount now estimated as required.....	5,000,000

The estimate of \$7,600,000 was based upon data received from the various navy yards and bureaus and activities of the Navy Department directly concerned with expenditures under this appropriation. The reduction of \$1,600,000 made by the Secretary of the Navy did not contemplate or indicate that reductions would be made in particular proposed objects of expenditure but expressed the individual opinion of the Secretary that the estimates of his subordinates were excessive and that expenditures could be properly kept within \$6,000,000. These estimates were prepared October 1, 1920, when complete data as to expenditures during 1920 were not available and very little data as to necessary expenditures during 1921 were at hand.

As submitted to the subcommittee handling the deficiency appropriations, using data available as of January 15, 1921, the probable expenditures for 1921 under various heads of this appropriation will be \$4,981,000. The actual appropriation requested by the Secretary of the Navy for 1921 is \$4,550,000.

Supplies and Accounts is of the opinion that expenditures during 1921 can not be kept within the amount of the appropriation requested without so curtailing expenditures as to interfere with the efficient management of the Navy; and it is believed—although every effort will be made to avoid so doing—that it may be necessary to request additional funds at the next session of Congress for the expenses of the fiscal year 1921.

Taking up the details of the \$6,000,000 estimate, the following reductions are believed to be practicable:

	Estimate, 1922.	Required, 1922.	Reduc- tion.
Transportation of funds.....	\$50,000.00	\$15,000.00	\$35,000.00
Mileage, etc.....	1,576,297.37	1,000,000.00	576,297.37
Ice.....	140,934.74	100,000.00	40,934.74
Incidental expenses.....	412,363.73	324,506.84	97,767.89
Classified employees.....	1,250,000.00	1,000,000.00	250,000.00

"Pay, miscellaneous," is one of the service appropriations under which expenditures are contingent upon the amount of appropriations authorized for other naval activities, depending to a considerable extent upon the number of officers in the service and the number of stations which can be kept open and active under appropriations authorized by Congress. It is believed that \$5,000,000 is the smallest amount which can properly be appropriated for these objects of expenditure and if such a sum is allowed it is believed that the expenditures can be kept within that amount.

Navy Department, Bureau of Supplies and Accounts—Pay, miscellaneous, 1920, 1921, and 1922.

[Jan. 21, 1921.]

Subhead.	Expended, 1920.	Estimated, 1921.	Estimated, 1922.
Commissions and interests; transportation of funds and exchange.....	\$1,757,828.48	\$235,632.37	\$50,000.00
Mileage and actual personal expenses of officers while traveling; traveling expenses of female nurses; mileage of midshipmen entering Naval Academy.....	1,418,034.87	1,030,465.19	1,376,297.37
Traveling expenses of civilian employees.....	431,031.30	338,066.72	400,000.00
Rent of buildings and offices not in navy yards.....	1,393,925.08	526,290.40	521,701.49
Expenses of courts-martial, prisons and prisoners, courts of inquiry, expenses for interned persons and prisoners of war, including funeral expenses.....	278,000.37	262,297.63	275,000.00
Newspapers, periodicals, and all advertising for the Navy Department (except recruits).....	20,151.19	27,224.60	25,000.00
Copying, costs of suits, commissions, warrants, diplomas, and discharges; expenses of naval defense districts; stationery and recording; reports, professional investigations; religious books; cost of special instruction at home.....	313,500.89	247,734.59	250,000.00
Cost of special instruction abroad, including maintenance of students and attachés; information from abroad and at home and the collection and classification thereof.....	63,573.01	215,000.00	236,500.00
Ice for cooling of drinking water on shore (except naval hospitals).....	117,488.44	113,592.10	140,934.74
Telephone rentals and tolls, telegrams, cablegrams, postage, foreign and domestic post-office box rentals.....	1,114,662.23	600,000.00	587,202.67
Actual expenses of officers while on shore patrol duty; hire of launches; relief of vessels in distress; recovery of valuables from shipwrecks; quarantine expenses; claims for damages for loss of property, ferrage, tolls (street car fares), and other necessary and incidental expenses.....	1,158,537.36	175,988.81	412,363.73
Clerical labor charges on rolls.....	520,261.24	1,000,000.00	1,250,000.00
Special allowances of officers and enlisted men serving under unusual conditions.....	50,621.00	208,696.28	25,000.00
Transportation of dependents of officers, etc.....	89.02	.....	250,000.00
Total.....	8,635,712.48	4,981,008.78	6,000,000.00
Appropriated and credit.....	5,877,998.59	3,550,000.00	.....
Deficit.....	2,757,713.89	1,431,008.78	.....

Mr. KELLEY. This revised estimate of the amount required under "Pay, miscellaneous" is based upon a Navy with the same number of officers as are now authorized by law?

Admiral PEOPLES. Yes, sir.

Mr. REED. The number of officers we expect to have in the service will not be the full number authorized by law.

Mr. KELLEY. It is based upon the number of officers that the Navy Department expects to have in the service?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And as permitted by law?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. How many men in the Navy?

Admiral PEOPLES. The number of enlisted men does not directly affect this particular appropriation, "Pay, miscellaneous," at least, very little.

Mr. KELLEY. The number of ships to be kept in commission would not affect this item very much, would it?

Mr. REED. No, sir.

Admiral PEOPLES. Very little; not very much. Very little maintenance expenses of ships would come out of this appropriation.

Mr. KELLEY. Are there any charges in here that would be traceable to the Marine Corps?

Admiral PEOPLES. No, sir.

Mr. KELLEY. So that this is based upon the probable activities of the Navy without reference to any particular reduction in the number of men?

Admiral PEOPLES. Yes, sir. Any reduction in the number of men will affect other appropriations, as we will explain later on.

Mr. KELLEY. But not much this way?

Admiral PEOPLES. No, sir.

Mr. REED. Here is a revised statement giving the estimate for 1921 and the \$6,000,000 distribution for 1922, so that the 1922 items would be reduced as indicated in that small memorandum. This does not exactly follow the subheads in the appropriation, because it is not practicable from an accounting point of view. We had to group some of the subheads together.

COMMISSIONS AND INTEREST PAID FOREIGN AGENTS OF THE NAVY DEPARTMENT.

Mr. KELLEY. Let us take the details of "Pay, miscellaneous." The first item is for commissions and interest. How much is that estimate?

Mr. REED. We estimate \$16,000 for commissions and exchange. Commissions and interest would practically be nothing, because we have no foreign fiscal agents at the present time, and the balance of money is required for transportation of funds.

Mr. KELLEY. Commissions and interest is nothing?

Admiral PEOPLES. No, sir.

Mr. KELLEY. How about transportation of funds?

Admiral PEOPLES. That is estimated to be \$15,000 for 1922.

Mr. KELLEY. While there is nothing to be expended for commissions and interest, I wish you would make a short statement as to the meaning of the term "commissions and interest."

Admiral PEOPLES. That particular clause, those particular words, cover the commissions paid to the foreign fiscal agents of the Navy Department, which it has been customary to have for many, many

years, selected by the department, and with whom funds are deposited, upon which drafts are drawn to pay obligations of the Navy in connection with vessels abroad.

Mr. KELLEY. But there are no commissions at the present time?

Admiral PEOPLES. No, sir; there are no commissions at present.

Mr. KELLEY. You had some during the war?

Admiral PEOPLES. During the war they ran up to very considerable sums.

Mr. REED. Prior to the war we had foreign fiscal agents for the Navy, but during the war, in connection with the Liberty loan campaigns, the Treasury Department established depositories abroad, and we got our funds from them.

Mr. KELLEY. Without expense to the Navy?

Mr. REED. No, sir; without expense to the Navy.

Mr. KELLEY. The expense was borne by the Treasury Department? What is the interest?

Admiral PEOPLES. The interest was in cases where the fiscal agents advanced funds to meet drafts that were drawn upon them. It was always the effort of the Navy Department to keep on deposit with the agents a certain sum of money, a limited amount, but if at any time that amount of money was overdrawn by authorized drafts, the agents would advance the funds and charge interest therefor.

Mr. KELLEY. For the length of time that the overdraft stood?

Admiral PEOPLES. Yes, sir; and at the same time the fiscal agent allowed the Government interest on our balance.

FOR TRANSPORTATION OF FUNDS AND EXCHANGE.

Mr. KELLEY. Transportation of funds and exchange. That is express, I take it?

Admiral PEOPLES. The cost of handling express charges in transportation of funds. The exchange comes from the loss on exchange due to the cashing of bills of exchange in foreign ports by vessels of the Navy at rates higher than the values as established by the Treasury Department.

Mr. REED. We estimate we will have no charge against loss on exchange next year, as we have just received a decision from the Comptroller of the Treasury that we can disburse foreign moneys at the figure we paid for it, so that will be neither gain nor loss. The losses in the past have been heavy, due to the constant dropping in the value of money.

Mr. KELLEY. I notice in 1920 you spent \$1,750,000?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That was when the exchange in China was against us?

Mr. REED. And also because the British and French Governments stopped the exchange in New York.

FOR MILEAGE AND EXPENSES OF OFFICERS AND CIVILIANS OF THE NAVY.

Mr. KELLEY. The next clause of this estimate is for mileage to officers of the Navy and Naval Reserve Force while traveling under orders in the United States, and for actual personal expenses of officers of the Navy and Naval Reserve Force while traveling abroad under

oders, and for traveling expenses of civilian employees, and for mileage, at 5 cents per mile, to midshipmen entering the Naval Academy while proceeding from their homes to the Naval Academy for examination and appointment as midshipmen. That is the mileage item.

Admiral PEOPLES. There was expended in 1920 for that purpose \$1,419,034.87. We estimate now \$1,000,000, which I think is reasonable, because there is a very decided reduction below the expenditures for 1920.

Mr. KELLEY. Admiral, can you give us a statement that will throw any more light on the apportionment of the \$1,000,000, any more than to say that that amount is needed to take care of the travel of these persons named?

Admiral PEOPLES. We could analyze that, sir.

Mr. KELLEY. Probably it would not throw any more light on it, would it?

Admiral PEOPLES. No, sir; just the total for each class, because it is specifically authorized by law what the mileage shall be and what the traveling expenses shall be kept within, etc.

Mr. KELLEY. This is for "mileage to officers of the Navy and Naval Reserve Force while traveling under orders in the United States." Where do you get the authority for paying mileage, outside of this act?

Admiral PEOPLES. I can put that in the record.

Mr. REED. Thirty-first Statutes, page 1029.

Mr. KELLEY. So that this item, for all practical purposes, might as well read, "For payment of mileage now authorized by law"? I do not mean to change the law, but if that language were already there, it would be sufficient for the purpose.

Admiral PEOPLES. Except that we have to pay 5 cents a mile for the midshipmen. That is appropriation law only.

Mr. KELLEY. That was put in the appropriation bill last year, was it, or year before last?

Admiral PEOPLES. Two years ago. I think it was 1919.

Mr. FRENCH. The expenses had been paid theretofore?

Mr. REED. Yes, sir. We paid actual expenses and the authority for that was carried in the naval bill. Then we changed over to a mileage basis with practically no additional cost involved.

Mr. KELLEY. It saved a lot of accounting?

Admiral PEOPLES. A great deal. I think the midshipmen lost by it since a recent order of the Interstate Commerce Commission has gone into effect authorizing an increase in traveling fares.

Mr. KELLEY. Their expenses would be more than this 5 cents a mile?

Admiral PEOPLES. Yes, sir.

Mr. FRENCH. This mileage is turned over to them in lieu of paying their actual expenses?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Formerly they had to present vouchers covering their expenses?

Admiral PEOPLES. They had to present an itemized statement of account showing actual traveling expenses from their homes to the Naval Academy.

Mr. KELLEY. A great many times they would lose track of their expenses?

Admiral PEOPLES. They would lose the little receipts and Pullman car tabs and things of that kind, and under the rules of the Treasury Department it was impossible to secure reimbursement for them. It was simpler all around to have a fixed mileage rate. The average cost to the Government was estimated to be 5 cents per mile, which has been carried in the appropriation bill without change for the past two years.

Mr. KELLEY. If by any chance that provision should not stand, then the midshipmen would receive nothing for their traveling expenses?

Admiral PEOPLES. No, sir; nothing.

FOR ACTUAL TRAVELING EXPENSES OF FEMALE NURSES.

Mr. KELLEY. The next item is for actual traveling expenses of female nurses. That is along the same line?

Admiral PEOPLES. That is appropriation law, too.

Mr. REED. That is authorized by law.

Mr. KELLEY. As a part of this \$1,000,000?

Mr. REED. Yes, sir.

Mr. KELLEY. That is authorized by law?

Mr. REED. Yes, sir,

FOR ACTUAL EXPENSES OF OFFICERS ON SHORE PATROL DUTY.

Mr. KELLEY. The next item is for actual expenses of officers while on shore patrol duty.

Admiral PEOPLES. That is appropriation law, sir.

Mr. REED. Do you want to know what that covers?

Mr. KELLEY. What does it cover?

Mr. REED. When the fleet goes into port and men are given liberty in large parties, they have to establish a shore patrol—that is, a provost guard with officers in command of it—to preserve order and round up stragglers. The officers have to be ashore and subsist themselves and sometimes they have to get lodgings. This is for the purpose of reimbursing them for actual expenses incurred while on that duty.

Admiral PEOPLES. Under orders. It is in connection with the establishment of naval police in the city where the fleet happens to be, for the preservation of order and discipline among the enlisted men.

Mr. KELLEY. The next item is for hire of launches or other small boats in Asiatic waters.

Admiral PEOPLES. That is appropriation law also. That is the same item which has been in the bill for 8 or 10 years.

Mr. KELLEY. Even if there were no specific appropriation for the hire of launches, Admiral, do you think it could be authorized by whoever was in charge at those stations?

Admiral PEOPLES. No, sir. It has always been regarded that there is no fund available under any other appropriation of the Navy Department, and therefore this item was inserted under "Pay, miscellaneous" to cover that purpose. It has amounted to \$1,000 a year. In the case of ships on a small river—and particularly the

Yangtze River—where it is impracticable to send their own boat ashore—the tides run heavier and some of them are not equipped with steam launches and pulling boats are not available—they simply hire these small boats to come off from the beach.

Mr. KELLEY. Until this language was inserted, the Treasury Department would never permit a voucher to go through for that purpose?

Admiral PEOPLES. No, sir; they would not allow it.

Mr. REED. The difficulty in many of these items is due to the method that Congress has pursued in specifically mentioning certain classes of expenditures, and the accounting officers have held that because of that policy everything else was excluded.

Admiral PEOPLES. The present naval appropriation bill, in its present form, is the outgrowth or development of additions from year to year of various little wordings or clauses to cover new and changing conditions in the Navy, many of them starting in 40 or 50 years ago. The words we find in the old appropriation bills, I dare say, will be repeated in the present bill.

Mr. KELLEY. Items may be carried in the appropriation bills for the last 50 or 60 years and yet not be permanent law?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Would it be in the interest of efficient handling of these appropriations if your bureau and the Treasury Department should take this bill and rewrite the language all the way through?

Admiral PEOPLES. It undoubtedly would, Mr. Chairman, and we recommend it. The wording could be simplified under each appropriation in such a way as to show expenditures in better form, estimates in better form, and appropriations in better form.

Mr. KELLEY. And then you could put in this bill really nothing that was not authorized by permanent law?

Admiral PEOPLES. That could very easily be done. We have often thought that the appropriation bill should be just a brief statement carrying totals under various bureaus, or in whatever way Congress may wish to subdivide it; that appropriation backed up, however, with a detailed set of estimates by items, first for consideration by the Secretary in making up his mind as to the policy to be followed with respect to the estimates to be submitted to the Treasury, and then to be able to present them in more enlightened form for the information of the committees at the various hearings. In other words, the estimates should be more or less liquid, as it were; getting to the principle of a budget—that is what it means—but a budget within the department. The committee could then tell how much money was expended for each specific object for the previous year, and with that information in mind, and the policy to be followed with respect to the fleet and the number of men, it could then be determined as to how much money should be allowed under the various headings.

Mr. KELLEY. In other words, the bill should carry just those subdivisions which seem wise and necessary to carry in your accounts, and such combinations of headings here, or eliminations, as would bring it about ought to be undertaken.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And then all the necessary details upon which the Secretary can properly review the requests of the various bureaus

should be laid out, and not only passed upon by the Secretary but submitted in practically the same detail to the committees of Congress.

Admiral PEOPLES. Yes, sir. Comparisons do not always apply, but take for example the appropriation bill of the British Government for the maintenance of the Admiralty. That appropriation bill itself is not more than a page long. Before the war it carried, say, five or six hundred thousand or a million pounds, but it was backed up, however, with detailed estimates of costs, etc., so that the Parliament knew where the money was going. That is not the same system that we want to put into practice here, but we wish to put into actual practice what we have found to be actually necessary.

Mr. KELLEY. There is no doubt that there should come down to the committees of Congress everything that you submit to the Secretary and upon which the Secretary bases his findings.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. All of it should come down in advance.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. So that members of the committee could pursue the inquiry for a reasonable length of time before the bureau chiefs appear.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And if they wanted any further details they could procure them by request.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Would it require some legislation to authorize the redrafting of the bill?

Admiral PEOPLES. Yes, sir; it would.

Mr. REED. Under the law the estimates must be submitted in the exact form of the previous appropriation act.

Admiral PEOPLES. Every effort heretofore made to change them has been subject to a point of order, especially when the legislation was carried on an appropriation bill. For that reason year after year there has grown up and developed the present appropriation bill, which is really a hodgepodge of words in so far as subheads are concerned. It is pointed out in the annual report of the Paymaster General of the Navy that a revision of the phraseology of the annual appropriations in the naval appropriation bill, so that all estimates, appropriations, and accounting thereof are harmonized in identical terms and subheads in so far as may be practicable, is highly desirable. As stated in the 1915 annual report five years ago, in addition to interfering with the proper distribution of cost, the present complicated method of making appropriations entails a great volume of unnecessary paper work and a mass of bookkeeping detail, the disadvantages of which are felt throughout the entire Naval Establishment.

Mr. KELLEY. I have not in mind the provisions of the budget bill, which touches upon this subject, as to the power of the budget commission.

Mr. REED. The director of the budget, or some one in the budget commission, is directed to submit a plan which covers a rewriting of the appropriation bill. There is nothing prescribed as to handling or estimating expenditures. The bill is to carry the provisions for the immediate future, but another plan is to be proposed by the budget commission, and it looks as if this is an inopportune time to attempt to do anything. If they do not get down to a bill next year, we will draft our suggestions and submit them to you.

Mr. KELLEY. As soon as the budget becomes a reality and the budget commission is appointed, I imagine one of the first things they would discover would be that these bills are, as you say, a growth of 50 or 100 years, by simply adding one provision after another, possibly to obviate some decision of the Treasury Department or somebody else?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And that they are full of repetition, so that nobody would feel quite sure what would happen if we struck out one of those provisions now?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. It would have to be inquired into very carefully?

Admiral PEOPLES. It would indeed, Mr. Chairman.

Mr. KELLEY. So that even though some of these provisions are not permanent law, it would be very unwise for the subcommittee to eliminate them from the bill, but we had better continue them in the bill, even though a rule is necessary to make them in order on the floor?

Admiral PEOPLES. Undoubtedly, sir. Fully 90 per cent of the sub-heads in the present appropriation bill, Mr. Chairman, are appropriation law. Roughly, about 10 per cent are covered by permanent law. It is difficult to imagine the confusion that could be created by reason of the elimination of 90 per cent of the wording in these various appropriations.

Mr. KELLEY. It would result in such confusion in the Navy Department that no one could tell for a long period of time what had happened?

Admiral PEOPLES. It is very doubtful if the Navy Department could function, sir.

Mr. REED. We would not know whether we could spend the money for necessary things. We would be calling upon the Comptroller of the Treasury constantly for decisions every time we had to make an expenditure.

Admiral PEOPLES. Unless there was some general saving clause put in the bill to the effect that "this money shall be available for all objects of expenditure heretofore carried in the bill."

Mr. KELLEY. A rule undoubtedly could be brought in which would make in order all provisions which have been heretofore carried in the regular appropriation bill. That is to say, the various clauses which have been found in the appropriation bill could be left and made a part of it by a general provision?

Admiral PEOPLES. Yes, sir; the various objects of expenditure.

Mr. KELLEY. What I mean is this: That as we go through the bill and happen to discover here and there a proposition which could not be supported by existing law, if we undertake to strike it out, we would not know, and you would not know, just where that might leave the Navy Department?

Admiral PEOPLES. No, sir.

Mr. REED. It would leave us up in the air.

Mr. KELLEY. To that extent you do know where it would leave you?

Admiral PEOPLES. Yes, sir.

FOR RENT OF BUILDINGS AND OFFICES OUTSIDE OF NAVY YARDS.

Mr. KELLEY. The next item is for rent of buildings and offices not in Navy yards.

Admiral PEOPLES. That wording has been carried in the bill for many, many years and is to cover the rent of inspectors' offices, primarily, inspectors of engineering material and hull material

located throughout the various manufacturing districts, and the like.

Mr. KELLEY. Is there general authority for renting?

Admiral PEOPLES. No, sir.

Mr. KELLEY. The only authority for renting buildings outside of navy yards is this appropriation bill clause?

Admiral PEOPLES. Yes, sir; in the annual appropriation bill.

Mr. KELLEY. Let us go into the question of rent for a moment.

Admiral PEOPLES. We have here a statement of several pages showing the expenditures for the current year, the station, the property, and the amount paid for rental. There are several hundred items in this statement, Mr. Chairman.

Mr. KELLEY. We will not want all that in the record, of course. How much was the amount expended in 1920?

Mr. REED. \$1,394,000.

Mr. KELLEY. How much is the estimate for this year?

Mr. REED. \$526,000.

Mr. KELLEY. And how much for next year?

Mr. REED. \$521,701.

Mr. KELLEY. Is there a summary of any kind which would show the amounts by districts?

Admiral PEOPLES. No, sir. It could be summarized to show the data by districts if desired.

Mr. KELLEY. This is largely an item of storage, I suppose, is it not, Admiral?

Admiral PEOPLES. No, sir. The largest item here is for the rental of one-half of pier at Thirty-fifth Street, South Brooklyn, and the land between Thirtieth and Thirty-seventh Streets, South Brooklyn, which belongs to the city of New York and upon which the Government erected buildings during the war. The title to the buildings is vested in the Navy Department. The land, however, is the property of the city of New York, and the rental is paid to the city.

Mr. KELLEY. How much is that item?

Admiral PEOPLES. That is \$261,733.30.

Mr. KELLEY. That is half the entire rental item?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. What are the other different items?

Admiral PEOPLES. There is one at the Navy yard in Norfolk, for land for the Navy Yard Annex, \$16,258.68. That consists of 200 acres. That was leased during the war and improvements were put upon the land by the Navy amounting to about \$600,000. There are two buildings on that tract of land in which is stored material to the value of probably \$8,000,000 or \$10,000,000. Much of that material is going to be used and it is necessary to lease the land until such time as it can be abandoned.

Mr. KELLEY. That is for storage?

Admiral PEOPLES. That is a storage item pure and simple.

Mr. KELLEY. Is this New York pier what is known as the fleet base?

Admiral PEOPLES. That is the Navy supply depot. Its name was recently changed from the fleet supply base to the Navy supply depot, because it supplies only a portion of the fleet. It is a misnomer. It is the naval supply depot for all vessels that are outfitted at the base on New York Harbor. One item is for the marine base at South Brooklyn, \$60,500. This is a repair plant. According to the terms of the contract which was entered into, it is stipulated that the rental must be paid for one year after the declaration of peace.

Mr. KELLEY. That is the marine basin in which certain craft are kept which are not in commission?

Admiral PEOPLES. No, sir; that is for repairs.

Mr. REED. It is used for the storage of a lot of small boats.

Mr. KELLEY. Why could not those boats be stored at some of the other stations, say at Portsmouth, N. H.?

Admiral PEOPLES. They could be, and they will be taken away from there when this lease expires, but in the meantime there is a legal obligation on the part of the Government to pay this rental for this property until one year after the declaration of peace.

Mr. KELLEY. Are these boats being repaired at this place?

Admiral PEOPLES. No, sir.

Mr. KELLEY. They are just being stored there?

Admiral PEOPLES. They are just sorted there. The stock of material is being depleted from time to time as sales are made or as the stock is reissued. We have been selling most of the stock of the boats ever since the armistice was signed. We have sold about \$5,000,000 worth of boats and vessels of various types during the past year.

Mr. KELLEY. Just where is that basin in New York?

Admiral PEOPLES. The marine basin?

Mr. KELLEY. Yes.

Mr. REED. Between the navy yard and the fleet supply base.

Mr. KELLEY. Under whose supervision are these boats?

Admiral PEOPLES. Under the jurisdiction of the commandant of the third naval district, and the disposition of the boats is under the Navy Department, the Bureau of Construction and Repair and the Bureau of Supplies and Accounts jointly.

Mr. KELLEY. The only other expense incident to this naval basin is the pay of the watchmen and things of that kind?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Are there buildings to be kept up there?

Admiral PEOPLES. No, sir; that is the total obligation of the Government.

Mr. KELLEY. Does not the Government keep the buildings in repair?

Admiral PEOPLES. Except for the watchman himself. Now, as to whether the Government keeps the buildings in repair, I am not familiar with that.

Mr. KELLEY. Are there a good many buildings at this point?

Admiral PEOPLES. That I do not know, sir.

Mr. KELLEY. So far as you know?

Admiral PEOPLES. I have not been there.

Mr. REED. There are small repair plants. They are not elaborate.

Mr. KELLEY. Is there any in operation?

Mr. REED. I do not think they are doing any repair work now. They did during the war.

Mr. KELLEY. So that the rent and the watchman would cover the expense of those boats?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Are there any other important items?

Admiral PEOPLES. The sixth floor of the South Ferry Building, No. 49 Whitehall Street, \$21,999.26. That is the rental paid for the communication service.

Mr. KELLEY. Is that where the bulletin is gotten out?

Admiral PEOPLES. Yes, sir; at Milwaukee, 504 Merrill Building; \$684 for the year. That is for the inspector's office. That is the inspector stationed in that district; for material and supplies under contract with the Navy Department. One office in the Sheldon Building, San Francisco, \$1,620. That is rental for the commandant of the twelfth naval district, for this year. One office in the Gwynn Building, in Cincinnati. That is the office of the inspector of engineering material, under the Bureau of Engineering; inspecting materials in the Cincinnati district. He travels from Cincinnati to Clevaland and points in that particular vicinity, to manufacturing plants turning out materials for the Navy, which according to the terms of the contract must be inspected at the point of production, and also the character of the material is such that it is necessary to inspect it at the mill instead of after delivery. There is one piece of land at Damasco Island, Me., \$100, for the radio station; also land at Chatham, Mass., for the air station, \$2,075; also rooms in Hartford for the inspector of engineering material. I think the inspector of ordnance is also located there. Then there is the Dupont Building, Wilmington, \$18.67.

Mr. KELLEY. I think that is sufficient to give an idea as to what the other places are.

Admiral PEOPLES. It runs all the way along in that way.

Mr. KELLEY. Does it include expenses of buildings used by recruiting officers?

Admiral PEOPLES. No, sir; that comes out of the item for recruiting.

Mr. KELLEY. That is because a special appropriation is made for it.

Admiral PEOPLES. Yes, sir. That comes out of another appropriation.

Mr. KELLEY. Is there any limitation on rentals except the amount of the appropriation?

Admiral PEOPLES. That is one, and then I can say this, sir: That it is the policy of the department itself to visé with most scrupulous care every requisition that comes in for rental of any kind. It must run the gantlet not only of the bureau concerned, with strong reasons as to the necessity for it, but also it must be personally approved by the Secretary himself.

Mr. KELLEY. I suppose if you did not have a contract leasing that naval base in New York you could cut that off and distribute those ships somewhere else?

Admiral PEOPLES. Yes, sir.

Mr. REED. Mr. Kelley, I have the distribution by naval districts if you want it.

Mr. KELLEY. Would it be rather lengthy to put in the record? We do not want to get too much in, if it is voluminous.

Admiral PEOPLES. It just gives the total by districts; that is all.

Mr. KELLEY. I have that here. I hardly think that would be of special value in the record. What were the figures for the marine basin and the naval supply depot in Brooklyn?

Admiral PEOPLES. Marine basin, South Brooklyn, \$60,500. Naval supply depot, \$261,733, at the pier.

Mr. KELLEY. Would it not be wise to buy the land if you have to stay there?

Admiral PEOPLES. I recommended most urgently to the Naval Committee in the hearings last year or the year before that that land be bought. The improvements that have been placed on the land cost the Government about \$3,500,000. It is necessary to keep them and it will always be necessary to keep them. The land itself can be purchased for a comparatively small amount.

Mr. KELLEY. We have no option, I suppose?

Admiral PEOPLES. No, sir. That would have to be negotiated with the city of New York.

Mr. KELLEY. The city of New York owns it, then?

Admiral PEOPLES. Yes, sir. It is city of New York property.

Mr. KELLEY. And they are willing to sell now?

Admiral PEOPLES. They were at one time. Whether they are still willing to sell, I do not know.

Mr. KELLEY. We have those buildings up there, and if we do not buy the land they are sure of \$260,000 income right along?

Admiral PEOPLES. The land is so valuable in that district that they can get that rental commercially just as well as they can from the Navy Department.

Mr. KELLEY. We have the buildings up there?

Admiral PEOPLES. Yes, sir. It is a very busy manufacturing center all through there, all around that entire vicinity, from there all the way down as far as about Forty-second or Forty-third Street, South Brooklyn. This is located between Thirtieth and Thirty-seventh Streets.

Mr. KELLEY. About three-fourths of this total rental is in and around New York?

Mr. REED. \$447,000 is in the third naval district.

Mr. KELLEY. That is practically in New York?

Mr. REED. Yes, sir.

Mr. KELLEY. You do not know of any way in which those rentals can be reduced this coming year?

Admiral PEOPLES. No, sir. We hope to be able to make some reduction of the rental of the pier. Negotiations are under way at the present time.

Mr. KELLEY. Do we use the whole pier?

Admiral PEOPLES. No, sir; just half the pier.

Mr. KELLEY. Is there any opportunity to lease part of it to others?

Admiral PEOPLES. We merely take one-half of it. The other half, which is also city property, is leased, I think, to the Luckenbach Steamship Co. They use it, as the Navy does, for shipments over the pier.

Mr. KELLEY. Do we use our storehouse at all?

Admiral PEOPLES. Yes, sir. There was \$70,000,000 in issues last year alone.

Mr. KELLEY. Is there anything else on the matter of rentals that you can put into the record which would throw light on the situation?

Admiral PEOPLES. I think not.

FOR EXPENSES OF COURTS-MARTIAL, PRISONERS, AND PRISONS.

Mr. KELLEY. The next item is for expenses of courts-martial, prisoners, and prisons, and courts of inquiry, boards of inspection, examining boards, with clerks, and witnesses' fees, and traveling expenses and costs.

Admiral PEOPLES. There was expended in 1920, \$278,000.37; in 1921 we estimate \$262,297.63; in 1922, \$275,000.

Mr. KELLEY. Is this authorized by permanent law or not?

Mr. REED. I am looking up that particular phase. I rather think it is, because the permanent statute provides for trying persons for various offenses, and I think that would carry the necessary expenses with it.

Mr. KELLEY. You have, during the last few months, had quite a good deal of court-martial work?

Admiral PEOPLES. That is due to a very large recruiting program which had to be put through and a number of desertions growing out of the unrest of the very young material we have gotten in some cases.

Mr. KELLEY. Is not that apt to fall off very considerably after next year?

Admiral PEOPLES. Mr. Chairman, I think, sir, without going into the details of the cases that most of the young men who have been recruited, who have been enlisted and gotten into trouble, have been discharged with bad-conduct discharges rather than being court-martialed.

Mr. KELLEY. Court-martial is a remedy that you apply only in a very aggravated case?

Admiral PEOPLES. An aggravated case; yes, sir.

Mr. KELLEY. That is what I thought.

Admiral PEOPLES. It has been one of the policies of the Secretary of the Navy to reduce to a minimum courts-martial of all kinds and to reduce to a minimum prison sentences; and in the prison at Portsmouth there are fewer prisoners to-day as a matter of fact, I think, than we had before the war.

Mr. KELLEY. Have you at hand the information about the number of prisoners?

Admiral PEOPLES. No, sir; I have not got that.

Mr. KELLEY. I wish you would insert in the record the number of prisoners there.

Admiral PEOPLES. Yes, sir; I will.

NOTE.—The total number of naval prisoners on January 22, 1921, was 1,276, of which number 729 were confined in the naval prison at Portsmouth, N. H.

Mr. KELLEY. Does this include the Marine Corps?

Admiral PEOPLES. No, sir.

Mr. KELLEY. It seems like quite a bit of money for courts-martial, \$275,000.

Mr. REED. That not only includes the expenses of the courts-martial, but also the prison expense, such as transportation of prisoners, and so on; and I think the amount for 1920 is a conservative expenditure and will probably run that way through 1922; it is running about the same now.

Mr. KELLEY. This does not provide for the maintenance of the prison itself?

Mr. REED. Some of the prison expenses are included in this; yes, sir.

Mr. KELLEY. Well, the buildings would come out of yards and docks, would they not, such expenses as maintenance?

Mr. REED. In part; yes, sir; part of the expenditures mentioned there are charged to miscellaneous.

Mr. KELLEY. What would they be?

Mr. REED. Fuel is one of the principal items.

Mr. KELLEY. I thought in a purely military establishment the expenses were always borne by Yards and Docks.

Admiral PEOPLES. No, sir. For instance, take fuel, fuel for power plants, for illustration, that sort of thing; the costs of the power plant of which the principal item of expense is fuel is distributed by provision of law among the other appropriations.

Mr. KELLEY. At a navy yard the power required for the yard in general without special reference to any particular shop is chargeable to Yards and Docks.

Admiral PEOPLES. Light is charged to Yards and Docks; yes, sir.

Mr. KELLEY. I thought that was on the theory that that was the share that belonged on the military side of the yard.

Admiral PEOPLES. Yes, sir; that is true.

Mr. KELLEY. So that at any plant where nothing but military activities were going on it would be charged to Yards and Docks.

Admiral PEOPLES. At large plants like New York, Boston, Philadelphia, Mare Island, Puget Sound, the bulk of the expense—

Mr. KELLEY. Comes in the shops.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Principally because that is the military activity.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That would be paid only by Yards and Docks.

Admiral PEOPLES. Not for fuel.

Mr. VINING. This appropriation is for expenses of prisons and prisoners?

Mr. KELLEY. Not for the expense of the prison itself.

Mr. VINING. Yes, sir; prisons and prisoners.

Admiral PEOPLES. The expense of courts-martial, prisons, and prisoners.

Mr. KELLEY. And the buildings and fuel, everything, therefore, would come out of this fund?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Well, that is not so bad, looking at it in that way.

EXPENSES OF NAVAL DEFENSE DISTRICTS.

Mr. KELLEY. The next item in the bill is expenses of naval defense districts. Have you made a separate item of that?

Mr. REED. No; I have not; it was charged last year under this appropriation about \$5,000, under "Expenses of naval defense districts."

Mr. KELLEY. That is a small item, then?

Admiral PEOPLES. Just a small item.

Mr. KELLEY. If it shows up anywhere else it will come under clerical labor?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That would be, then, about \$5,000?

Mr. REED. Yes, sir.

Mr. KELLEY. And how would you spend that?

Admiral PEOPLES. For stationery and such things.

Mr. REED. Stationery and office supplies in the headquarters.

PAPERS AND PERIODICALS FOR THE NAVAL SERVICE.

Mr. KELLEY. The next item is for papers and periodicals for the naval service.

Admiral PEOPLES. In 1920 we expended \$20,151.19; the estimated expenditure for 1921 is \$27,224.69; and we are asking for 1922, \$25,000.

Mr. KELLEY. Is that for the naval library down in the department?

Admiral PEOPLES. No, sir; this is for the service alone; it covers the advertising for the supplies and for the construction and building of ships and the trade papers that we have to furnish our departments and some technical journals. We are required by law to advertise for the purchase of supplies, etc.

Mr. KELLEY. And the newspapers and periodicals are of a technical character mostly?

Admiral PEOPLES. A technical character.

Mr. KELLEY. And they are subscribed to by the different bureaus?

Admiral PEOPLES. Only on the approval of the Secretary personally. It is very hard to get any subscriptions through except those that have been used for years and years and years, and found necessary.

Mr. KELLEY. The major portion of this \$25,000 would be used for advertising for bids and proposals of various sorts?

Mr. REED. The expenses are in the neighborhood of \$5,000 for newspapers and periodicals.

Mr. KELLEY. You think these items are authorized by law?

Admiral PEOPLES. Advertising is required by law, sir.

Mr. REED. There is a statute which authorizes you to take periodicals in advance. I do not know whether that authorizes you to appropriate for the purchase of them or not; I should think it would cover it.

FOR COST OF COPYING—COST OF SUITS, COMMISSIONS, ETC.

Mr. KELLEY. And the next item is "Copying, costs of suits, commissions, warrants, diplomas, and discharges; expenses of naval defense districts, stationery and recording; reports, professional investigations; religious books, costs of special instruction at home."

Mr. REED. Yes, sir; we have it here.

Admiral PEOPLES. For 1921 the estimated expenditures will be \$247,734.59 and we are asking for 1922, \$250,000. That covers a

multitude of miscellaneous items, sir, as explained by the headings—that is the costs of suits, costs of commissions, warrants, diplomas and discharges.

Mr. KELLEY. Is this item of stationery a large item?

Admiral PEOPLES. For the naval defense districts it is about \$5,000. Under the other general item how much, Mr. Reed, do you think that amounts to?

Mr. REED. It is rather small; we furnish stationery to the yards and commandants out of this appropriation; I do not think the stationery appropriation amounts to very much.

Admiral PEOPLES. It is a very small item.

Mr. KELLEY. What is the largest item in this group?

Mr. REED. The cost of special instruction at home because that is a special course of instruction for officers.

Admiral PEOPLES. The naval instructors, for illustration, that are sent to Boston, the civil engineers that we send to Rochester, and the expense of the postgraduate school at the Naval Academy also.

Mr. REED. That was estimated at \$160,000; I think that is what they are spending this year, and we held them down to much less than it was felt they ought to spend.

Mr. KELLEY. How many boys are under special instruction at postgraduate schools?

Admiral PEOPLES. Those are officers, Mr. Chairman, graduates of the Naval Academy who are sent to school after eight or ten years' service.

Mr. KELLEY. They are in the service as long as that, are they?

Admiral PEOPLES. Yes, sir. Of course the naval instructors that are sent to Boston Tech. are young men, just graduates of the academy and they are sent there to round out their instruction for instruction in naval architecture. The Bureau of Medicine and Surgery has a system similar to that but they have no special expense connected with that because they are instructed out here at the Naval Medical School Hospital.

Mr. KELLEY. Is this special instruction authorized by law?

Mr. REED. Not specifically; no, sir.

Mr. KELLEY. How about the attachés, instruction at home and abroad, including maintenance of students and attachés?

Admiral PEOPLES. Attachés abroad, sir?

Mr. KELLEY. Has that been authorized by law, or is it not possibly only authorized by this?

Mr. REED. No, sir; it has only been in the appropriations. It has been in the appropriations for 20 years or so, but there is no permanent legislation authorizing it. Actually at present, except for a few student interpreters in Japan and China, we have no students abroad taking special courses of instruction.

FOR PRINTING COMMISSIONS, WARRANTS, DIPLOMAS, ETC.

Mr. KELLEY. The next item is for commissions, warrants, diplomas discharges.

Admiral PEOPLES. That is merely for the printing of the papers.

Mr. KELLEY. And I take it a necessary expense?

Admiral PEOPLES. Of the commissioned personnel and also the enlisted personnel.

Mr. KELLEY. And that, of course, is authorized ?
Admiral PEOPLES. Yes, sir.

FOR ICE FOR COOLING DRINKING WATER.

Mr. KELLEY. The next item is for ice for cooling drinking water upon shore except in hospitals.

Admiral PEOPLES. \$113,000 is the estimated expenditure for the present year. The estimate for 1922 is \$100,000.

Mr. KELLEY. Is there a special item for ice in the bill ?

Admiral PEOPLES. No, sir.

Mr. KELLEY. In what clause does that come ?

Mr. REED. Yes, sir; there is a special item in the bill; but not by law, sir.

Admiral PEOPLES. That is on page 4.

Mr. KELLEY. What is the amount ?

Admiral PEOPLES. \$100,000, sir. The expenditure this year was \$113,592.10.

Mr. KELLEY. And you are asking for 1922, \$100,000 ?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That is quite an ice bill, is it not ?

Mr. REED. It is furnished in all the shops, all the yards on shore except in hospitals.

Mr. KELLEY. Does not this item for ice include the cost of coolers ?

Admiral PEOPLES. It is the actual cost of the ice.

Mr. KELLEY. Is that all ?

Admiral PEOPLES. Yes, sir; I think most of those water tanks are made right in the navy yard shops.

Mr. KELLEY. Is it only for drinking water used in the offices ?

Admiral PEOPLES. Oh, no; it includes that used in the shops for the mechanics, laborers, and everybody there. The supplying of ice, of course, is quite a large item because there are 65,000 men drinking water every day during the summer, sir.

Mr. FRENCH. Do private shops furnish the same kind of accommodations ?

Admiral PEOPLES. Practically every up-to-date shop I have heard of does.

Mr. KELLEY. It is one of the expenses of operating a plant.

Admiral PEOPLES. That is it, exactly, sir, and it has been provided for for years and years.

Mr. REED. It used to be that each bureau paid for the ice used in its own shops and we were providing ice and paying for it out of as many as seven or eight different appropriations; so some years back it was all consolidated and thrown into one appropriation.

TELEPHONE, TELEGRAPHIC, AND POSTAGE EXPENSES.

Mr. KELLEY. The next item is for telephone rentals and tolls, telegrams, cablegrams, postage, foreign and domestic, post-office box rentals.

Admiral PEOPLES. That is an important item, sir. In 1920 the expenditure was \$1,114,000; for 1921 the estimated expenditure is \$600,000; for 1922 we are asking \$587,202.67, made up as follows—shall I read the details, Mr. Chairman ?

Mr. KELLEY. Yes, sir.

Admiral PEOPLES. The detailed estimates under this subhead are as follows:

In the first district rental of plant is \$15,012.25; local and long-distance telephone messages, \$15,838.88; cables and telegrams, \$6,341.50, making a total of \$37,192.63.

Mr. KELLEY. That is at the Boston office?

Admiral PEOPLES. That is the first naval district, which includes everything, Newport, Portsmouth, Boston, Bath, and the activities of the office and radio stations of every kind within the entire first naval district.

Mr. KELLEY. What is meant by the term "plant"?

Mr. REED. That is rent of instruments and switchboards.

Mr. KELLEY. For instance, at a navy yard the telephone company would put in the switchboard and you would rent it?

Mr. REED. Yes, sir.

Mr. KELLEY. And this would be for rental of switchboards and instruments, such as that?

Mr. REED. Yes, sir.

Admiral PEOPLES. In the third naval district, which includes everything from New London down to, I think, Barnegat, N. J., rental of plant, \$57,514.19; local and long-distance messages, \$26,575.75; cables and telegrams, \$5,454.06, making a total of \$89,544. In the fourth naval district—

Mr. KELLEY. Just a moment, on the third district. Of that \$89,544, how much is chargeable to the Bulletin—obtaining news for the Bulletin?

Admiral PEOPLES. We would have to ascertain that for you, Mr. Chairman.

Mr. KELLEY. They publish that Bulletin every day, as I recall?

Admiral PEOPLES. That is the Shipping Bulletin.

Mr. KELLEY. And gather the data by telephone and wireless?

Admiral PEOPLES. Yes, sir; in every way possible.

Mr. KELLEY. It probably is quite an item?

Admiral PEOPLES. Yes.

Mr. KELLEY. If it is not too much bother to look that up, I wish you would incorporate that in the record.

Admiral PEOPLES. Yes, sir; we will endeavor to do it.

NOTE.—All expenses in connection with the Shipping Bulletin, including telephone, telegraph, and cable bills, are paid from the appropriation "Engineering" and not from "Pay, miscellaneous."

Admiral PEOPLES. In the fourth district, the Philadelphia district, the expense for plant is \$5,573.02; local and long-distance messages, \$12,857.94; cables and telegrams, \$6,789; making a total of \$25,219.96.

Mr. KELLEY. I do not think it will be necessary for you to go through each one separately, Admiral, if you will just put this statement in the record. It is short and in table form.

Admiral PEOPLES. I will do so.

Mr. KELLEY. This includes the Navy Department at Washington?

Admiral PEOPLES. Yes, sir.

Pay, miscellaneous, 1922.—Details of estimate under subhead No. 10, telephone rentals, and tolls, telegrams, cablegrams, postage, foreign and domestic; post-office box rentals.

District.	Plant.	Local and long-distance messages.	Cable and telegrams.	Total.
First.....	\$15,012.25	\$15,838.88	\$6,341.50	\$37,192.63
Third.....	57,514.19	26,575.75	5,454.00	89,544.00
Fourth.....	5,573.02	12,857.94	6,789.00	25,219.96
Fifth.....	15,821.80	3,740.00	5,500.00	25,061.80
Sixth.....	733.00	1,065.00	6,385.00	8,183.00
Seventh.....	1,484.80	582.00	5,450.00	7,516.80
Eighth.....	6,629.00	504.00	4,867.00	12,000.00
Ninth, tenth, and eleventh.....	20,065.98	3,400.00	4,560.00	25,025.98
Twelfth.....	16,091.00	13,242.00	46,596.00	75,929.00
Thirteenth.....	3,072.00	1,310.00	6,080.00	10,462.00
Fourteenth.....	294.00	1,281.00	200.00	1,775.00
Fifteenth.....	1,884.00	325.00	4,491.00	6,700.00
Sixteenth.....	1,354.00	76.00	5,470.00	6,800.00
Washington.....	17,831.00	12,800.00	51,000.00	81,431.00
Washington yard.....	4,200.00	1,400.00	600.00	6,200.00
Hospital.....	1,112.00	.....	.....	1,112.00
Indianhead.....	468.00	182.00	150.00	800.00
Total.....	169,140.02	94,979.57	159,933.56	424,063.15
Leased wires:				
East coast—				
Telephone.....				37,507.44
Telegraph.....				(5),142.08
West coast.....				22,500.00
Ships' expenditures.....				30,000.00
Postage.....				10,000.00
Grand total.....				587,202.67

Mr. KELLEY. Admiral, how does this expense of \$587,202.67 compare with former years?

Admiral PEOPLES. In the year 1920; that is, the year just closed, sir, the expense was \$1,114,662.23 for these items.

Mr. KELLEY. What was it in 1916?

Admiral PEOPLES. We can ascertain that for you, sir.

NOTE.—The amount expended from the appropriation "Pay, miscellaneous, 1916," for telephone, telegraph, and cable bills was \$120,258.08.

Mr. KELLEY. Admiral, is not this something that could be radically reduced by order of the department down here? It might require a little more writing and not so much long-distance telephoning.

Admiral PEOPLES. There are the very strictest orders which compel the telephones to be used strictly for official purposes.

Mr. KELLEY. There is no doubt about that.

Admiral PEOPLES. And in addition, sir, the control over those messages is handled in this way; no one can use the long-distance telephone until he receives authority in advance to call up a certain party by long-distance phone, say, to handle certain emergency transactions, as the case may be.

Mr. KELLEY. That is to say, if Mr. Reed wanted to call up New York—

Admiral PEOPLES. He must have my special authority for it.

Mr. KELLEY. Where does he get the authority?

Admiral PEOPLES. From me, sir.

Mr. REED. It goes to the head of the department.

Mr. KELLEY. To the head of the department?

Mr. REED. Yes, sir.

Mr. KELLEY. Suppose some constructor down at the navy yard wanted to call New York?

Admiral PEOPLES. If he is the head of a department he has the authority to use the phone himself; but he must make a report, Mr. Chairman, as to the nature of the call.

Mr. KELLEY. This whole item seems to be \$101,228 in 1915. Of course, we have twice as many men or more now and I suppose the telephone rates may have advanced.

Mr. REED. They have.

Admiral PEOPLES. Telephone rates have advanced greatly; business has increased a great deal; the number of stations and ships have increased greatly. I think the figures there, Mr. Chairman, show it has been cut from \$1,114,000 for actual expenses last year down to \$587,000.

Mr. KELLEY. Of course, during the war, the people naturally got in the habit of using the long-distance telephone.

Admiral PEOPLES. That item during the war ran up to \$2,000,000.

Mr. KELLEY. During the war everybody got the habit of using the telegraph and telephone because of its expedition.

Admiral PEOPLES. Yes, sir; they had to.

Mr. KELLEY. And, naturally, habits are not thrown off in a day, and probably there is quite a hangover of the habit of calling up and wiring instead of writing when writing will do as well. I wonder if it would be a wholesome thing to reduce this just in the middle—you think that might be a little deep on legitimate telegram and telephone messages?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. It seems like a large item—\$587,000.

Admiral PEOPLES. But when you analyze it by stations, sir, you see where the money has gone or is going, it does not seem to be such a large charge, sir.

Mr. KELLEY. Now, when you consider further, Admiral Peoples, that all your wireless information is outside of this, because we are spending a good many million of dollars annually for the wireless, and you get the use of it for nothing—that information—

Admiral PEOPLES. Yes, sir. Had our wireless messages gone over leased wires and cables it would have cost us about \$5,800,000 a year more.

Mr. KELLEY. \$5,800,000 a year more?

Admiral PEOPLES. Yes.

Mr. KELLEY. Yes; but \$101,000 covered it all in 1916.

Admiral PEOPLES. No; at wireless posts; sir.

Mr. KELLEY. Did the Navy Department operate it then?

Admiral PEOPLES. Yes, sir. I remember in 1913 off in the Gulf of Lyons, just south of Marseille, France, receiving messages from Washington over the Arlington sending station.

Mr. KELLEY. You might have had one or two, but we did not have 2,000.

Admiral PEOPLES. Wireless has been used very extensively for years and years and years.

Mr. KELLEY. Yes, but one of the new developments that has been presented to us here in the way of expense, extra expense, has been the radio business; and when you come to look at the radio stations

that are scattered all the way around every few hundred miles, I should imagine now you have the benefit of all that.

Admiral PEOPLES. Oh, yes.

Mr. KELLEY. Would it not be a wholesome thing to hand up the telephone for a little while and rather use a little strong-arm method on this for about a year and see how you come out?

Admiral PEOPLES. Just look at the total cost, \$587,000; plants, \$169,140.02; local and long-distance messages, \$94,979.57.

Mr. KELLEY. Yes, and \$159,933.56 for cables and telegrams.

Admiral PEOPLES. For cables and telegrams.

Mr. KELLEY. In spite of the fact that you have the wireless.

Mr. REED. We have leased wires from Washington to large east coast points, telephone wires, for which we pay \$37,000 a year rental. The business over those wires alone would cost \$119,000 if we paid the commercial rates. For rental of telegraph wires we pay \$63,000, and the business we conduct over those rented wires would cost us \$111,000 at commercial rates.

Mr. KELLEY. That is, if you did the same amount of telegraphing?

Mr. REED. Yes, sir.

Admiral PEOPLES. There is this much to it, Mr. Chairman; if you decide to cut this item, I would suggest that before you do so you call for Admiral Bullard, who is in charge of the radio and communication service, because practically all of the expenditures are known to him.

Mr. REED. It being a part of the total it would be well to put a—

Mr. KELLEY. Limitation on it.

Admiral PEOPLES. Which will not exceed so much.

Mr. KELLEY. And if we cut it in two—

Admiral PEOPLES. Oh, I think that would be disastrous.

Mr. KELLEY. It might increase the postage item a little—well, hardly disastrous, but it would be a change of official life.

Admiral PEOPLES. That is true; there might be some more writing done.

Mr. KELLEY. We could cut it off for one year and then see if you really needed it.

Mr. REED. We have made some substantial cuts.

Mr. KELLEY. You have done very well.

Mr. REED. We have cut it in half.

Mr. KELLEY. It was \$1,114,662 in 1920.

Admiral PEOPLES. And it was cut to \$587,000, which is squeezing the water out of it. Another thing, Mr. Chairman, too, sir, is that no one can put in a telephone—I can not as Chief of the Bureau of Supplies and Accounts—I personally must go to the Secretary of the Navy and get his authority before we can have any additional telephones installed in the Bureau of Supplies and Accounts.

Mr. KELLEY. But still that is perfunctory.

Admiral PEOPLES. No, sir; it is not perfunctory.

Mr. KELLEY. You do not mean to say that if you went up and requested the telephone the Secretary of the Navy would say that you could not have the telephone?

Admiral PEOPLES. We must have some good reason for having it.

Mr. KELLEY. But if somebody in the bureau wanted a telephone and you did not want them to have it, and did not want to tell them

you did not want them to have it, you would call the attention of the Secretary to it and the telephone would not be put in?

Admiral PEOPLES. The principal thing is that it must be shown to be absolutely necessary; and as you see, it has been cut down very materially.

Mr. KELLEY. The next item that we come to is actual expenses of officers while on shore duty.

Mr. REED. Shore patrol duty, that should be, sir.

HIRE OF LAUNCHES, RELIEF OF VESSELS IN DISTRESS, ETC.

Mr. KELLEY. Hire of launches; relief of vessels in distress; recovery of valuables from shipwrecks; quarantine expenses; claims for damages for loss of property, ferriage, tolls—street car fares—and other necessary and incidental expenses.

Admiral PEOPLES. That is reduced to \$324,596.84.

Mr. KELLEY. From how much in 1920?

Admiral PEOPLES. From \$1,156,537.36, sir.

Mr. KELLEY. Well, it is more than you estimated for 1921, I notice.

Mr. REED. Yes, sir.

Mr. KELLEY. What is the reason for that?

Mr. REED. I do not know whether it is due to the charges having come in or that they have not gotten through; they have not gotten their distribution of the charges for the first six months just right; I just noticed that disparity this morning, and I have not had a chance to look into it.

Mr. KELLEY. This telephone item, of course, is a necessary part of the Naval Establishment and would not need any special authorization from year to year; that is to say, you normally contract bills and pay for them without legal authority to pay for telephones, could you not?

Mr. REED. No, sir.

Admiral PEOPLES. I do not think so.

Mr. REED. If you had a general appropriation for incidental expenses we could rent telephones from that; there would have to be some language in the appropriation that was broad enough to cover it.

Mr. KELLEY. If you were running a department or navy yard and you were authorized to conduct the business of that yard, would not as necessary a matter as postage, which enters into the conduct of the business of the yard, be covered?

Admiral PEOPLES. I doubt it very much, sir.

Mr. REED. On account of the construction that the accounting officers have placed on the various appropriations it would leave us more than tied up if similar language were not put in, certain language.

Mr. KELLEY. What I am talking about, and wondering about, is whether or not any special legislation at all would be necessary for so essential a part of the establishment as a telephone or the telegraph, or things of that kind.

Mr. REED. This is another one of those cases where years ago each bureau paid its own expenses; that is, it was not paid out of the general appropriation, but the specific appropriation, and in order to get it all in one place, it was gathered under one head and one appropriation was made to take care of it; it was done in 1906 at the same time we took care of the ice.

Admiral PEOPLES. In other words, it now centralizes the charge, Mr. Chairman.

Mr. KELLEY. You have not figured any deficit in the item for miscellaneous and incidental expenses for this year, have you?

Mr. REED. The figures given as probable expenditure under that general heading is \$176,000. I see in making up the estimates for 1922 from the total they consider that more money would be needed.

Mr. KELLEY. According to the total here under subhead 11, which is this item, is it not, you want \$324,596.84 for 1922?

Mr. REED. I find some error must have crept in during the preparation of this sheet.

Mr. KELLEY. Probably some other figure has crept into that column.

Mr. REED. I will have to look that up and see just where that error occurred.

Admiral PEOPLES. Yes, \$173,000 against \$324,000.

Mr. REED. I will have it looked up and give you a memorandum of explanation.

Mr. KELLEY. How much do you have there?

Admiral PEOPLES. It is \$173,000 for 1921, but there are other items which should go into that heading, Mr. Chairman.

Mr. KELLEY. I wish you would look into that and have it corrected.

NOTE.—The estimate of \$412,363.73 under subhead No. 11 for "Actual expenses of officers while on shore patrol duty; hire of launches; relief of vessels in distress; recovery of valuables from shipwreck; quarantine expenses; claims for damages for loss of property, ferriage, tolls (street car fares), and other necessary and incidental expenses," which was reduced to \$324,596.84, shows an increase over the amount which it is estimated will be expended during the fiscal year 1921 for the same objects, because of the fact that the various reporting stations and navy yards apparently did not locate charges for various objects of expenditure under their jurisdiction to other subheads of expenditures under this appropriation, but gave them as probable charges against subhead No. 11.

Because of the large number of specific items of expenditure mentioned in this appropriation, with a considerable number of general classes which might cover objects of expenditure specifically provided for, an apparent disparity of this kind is easily understood.

In the final analysis of expenditures under this appropriation it is probable that various items now estimated for under subhead No. 11 will be actually distributed to other subheads under which estimates should have been submitted for various amounts now included under subhead No. 11.

CLERICAL LABOR CHARGES ON ROLLS.

Admiral PEOPLES. Now, the next large item, Mr. Chairman, is clerical labor charges on rolls. There is \$1,000,000 for 1921, and the estimate for 1922 is the same, \$1,000,000.

Mr. KELLEY. Let us analyze that by districts.

Admiral PEOPLES. The original estimate was \$1,200,000, sir; it has been reduced to \$1,000,000; there has been a reduction in the estimate there of \$250,000, sir.

Mr. KELLEY. I wish you would just make a general statement as to what clerks are paid out of this fund.

Admiral PEOPLES. The clerks that are paid out of this fund are the clerks in the offices of the commandants of navy yards, clerks to the labor boards at all navy yards and stations, or clerical hire for examining boards; the clerical hire for commandants of naval dis-

tricts, the clerical hire for the communication service, clerical hire for such few people as are detailed with the Civil Service Commission, secretaries at the local cities where labor boards are located—there are only a few of them, probably 8 or 10—that about covers it, sir.

Mr. KELLEY. How many employees are there all told?

Admiral PEOPLES. Do you mean the total number?

Mr. KELLEY. Yes.

Mr. REED. Five hundred and eighty-four on the 16th of September, and 39 have been appointed since that time, making a total of 623.

Admiral PEOPLES. Mr. Chairman, the total is 623.

Mr. KELLEY. Six hundred and twenty-three?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That does not include any of your help?

Admiral PEOPLES. No, sir.

Mr. KELLEY. And it does not include any draftsmen?

Admiral PEOPLES. No, sir.

Mr. KELLEY. It is purely office help?

Admiral PEOPLES. It is office help employed on work in connection with the establishments named.

Mr. KELLEY. Are there any common laborers paid out of this fund?

Admiral PEOPLES. No, sir.

Mr. KELLEY. They are all civil service employees?

Admiral PEOPLES. Yes, sir; classified employees.

Mr. KELLEY. This fund has grown, has it not?

Admiral PEOPLES. It covers also telegraph operators, Mr. Chairman.

Mr. KELLEY. Does it cover the clerks in the naval districts?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And what is their chief function?

Admiral PEOPLES. In connection with the work of the commandants of naval districts.

Mr. KELLEY. And why would he have to have many clerks?

Admiral PEOPLES. The districts do not come under Supplies and Accounts, Mr. Chairman, but I helped in connection with the distribution of the funds that were appropriated under the present year, when the cuts that were made ran as high as 67 per cent in the third district alone; that is, in the office of the commandant. Those clerks are employed very largely in connection with the maintenance of the Naval Reserve system; that is, they maintain there the records of all reserves in the third naval district.

Mr. KELLEY. Do they not have to keep them down here at the department?

Admiral PEOPLES. No, sir; the detail work is handled in that particular district.

Mr. KELLEY. That is to say the correspondence is handled up there?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. In their dealing with the Naval Reserves, if they want to send out letters and circulars and other literature to the reserves, urging them to stay in, or to continue their training, or report for training, that kind of thing?

Admiral PEOPLES. To see that the work is carried on.

Mr. KELLEY. That goes out from up there?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. But the records are all down here, are they not?

Admiral PEOPLES. No, the service records of the men, of enlisted men in the reserves are kept in the commandant's office of the district.

Mr. KELLEY. If I want to find out about a reservist by the name of John Brown, we will say, of Lansing, Mich., I could find that out down here at the department, could I not?

Admiral PEOPLES. You can in this way; you can find out a part of his record, Mr. Chairman; you can find out his record with respect to his pay, because they are all paid from Washington, the central office handles it; it is, we think, the cheapest way to do it, although the proposition has been advanced of putting that particular part of the Naval Reserve force system into the local districts, but we think that it costs much more money to so do because here the checks are all run off on machines, and these would have to be duplicated at each one of the districts; but the personnel part, the training part—

Mr. KELLEY. What you say now is true of the whole affair.

Admiral PEOPLES. No, sir. The record of the enlisted man in detail is kept by the commandant of the district. This is the way the clerical force would work; the third naval district will get orders to mobilize say a thousand men for the summer cruise. It is immaterial to the Navy Department which thousand men the commandant of the third naval district picks out; it is up to him to handle that work; he sends out the orders to these men to their homes, and sees that they are mustered, and that sort of thing, and then the thing is conducted.

Mr. KELLEY. Admiral, into what units are these naval reservists organized?

Admiral PEOPLES. What is that?

Mr. KELLEY. They are organized into units in their various localities, are they not?

Admiral PEOPLES. No, sir; not in the way of units.

Mr. KELLEY. Suppose out in Detroit—is there not some organization to which the Naval Reserve boys belong in Detroit?

Admiral PEOPLES. There probably is.

Mr. KELLEY. And come within the Chicago district, whatever number it is; now, what does the commandant at Chicago know about those boys in Detroit?

Admiral PEOPLES. Well, I do not know the detailed workings of that particular part of it, because, as I said, we have nothing whatever to do with it; it is felt that the administration of the reserve system which comes under the Bureau of Navigation could be explained in detail by them; I suppose the commandant of the Chicago district keeps informed through the commanding officer of the Detroit unit as to when drills are held and the character of the drills, etc.

Mr. KELLEY. Do you not have to withhold money from these naval reservists from time to time?

Admiral PEOPLES. Withhold it?

Mr. KELLEY. Yes; your department down here if they do not keep up with their drills and all that sort of thing?

Admiral PEOPLES. Oh, yes, sir; that is true.

Mr. KELLEY. Where do you get your information?

Admiral PEOPLES. We get our information from the district.

Mr. KELLEY. Not from the Bureau of Navigation?

Admiral PEOPLES. No.

Mr. KELLEY. Do they not know at the Bureau of Navigation how many of these boys are keeping up with their drill, and so forth?

Admiral PEOPLES. I do not know whether they do or not.

Mr. REED. The responsibility is placed upon the commandant in the district to keep tabs on the men.

Admiral PEOPLES. The commandant of the district is required to inform the Navy allotment office as to who is entitled to pay, who has been discharged, and so forth; and one of the difficulties we have in keeping up with the men is on account of changes of districts and failure on their part to notify the Navy allotment office that a man has been put in another district.

Mr. KELLEY. There is an appropriation carried in here for organization purposes; these boys are organized into some kind of units, but I do not know what they are called.

Admiral PEOPLES. Naval battalions.

Mr. KELLEY. The commandant takes the reports of these people and compiles them and sends it down here and then they compile it again down here. Now, why not just skip the fellow up there and have it come right here and save all this expense; it has got to come here finally.

Admiral PEOPLES. It is a matter of the administration of the reserves about which you would have to ask the Bureau of Navigation.

Mr. KELLEY. What does this item amount to?

Admiral PEOPLES. \$1,000,000.

Mr. KELLEY. If we take that million out what would happen?

Admiral PEOPLES. There would be no clerks left; there are just 625 now.

Mr. KELLEY. They could then consolidate these districts with the chief naval unit, the navy yard. Could they not get along just as well by doing that?

Admiral PEOPLES. I can not say about that, sir.

Mr. KELLEY. Of course that is not your province to say, one way or the other, about that?

Admiral PEOPLES. Absolutely no, sir.

Mr. KELLEY. How much was this miscellaneous appropriation in 1916?

Mr. REED. About \$1,000,000, I think.

Mr. KELLEY. The appropriation was \$1,000,000 and you had a deficiency of \$124,000, making \$1,124,580. So you see even after you have done quite a bit of pruning, for which I commend you, there is still how much you are asking for?

Mr. REED. \$5,000,000, sir; five times as much.

Mr. KELLEY. Five times as much, and this one item that we are now considering is as much as the entire item was. This is one place where the thing has swelled up, is it not?

Mr. REED. That is one of the primary items, right there.

Mr. KELLEY. The question is that if it has not got a military value of considerable importance to offset this extraordinary expense it would be worth while to consider the feasibility of dropping it out.

Admiral PEOPLES. I would say, sir, that that is a matter which comes clearly under Admiral Coontz, Chief of Naval Operations, as to questions of policy and military value of the naval district.

Mr. KELLEY. Before the war we did not have these separate organizations, did we?

Admiral PEOPLES. No, sir; not that I know of.

Mr. KELLEY. We have developed them during the war because it was necessary to have a separate organization from the navy yard organization because the navy yard organization was fully engaged in productive enterprise.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And they could not scatter out around over a certain area and take care of the supplemental enterprises which they did do before the war. This is just a unit for development of the war which is now running into close to \$1,000,000. That seems to be the fact, does it not?

Admiral PEOPLES. No, sir; not all of that million is used for that, I know, Mr. Chairman, because—

Mr. KELLEY. Well, what other clerks are embraced in this?

Admiral PEOPLES. Commandants of the navy yards—

Mr. REED. The communication service. So far as the communication service is concerned I think it takes about \$300,000 of this for telegraph operators and things of that sort.

Mr. KELLEY. I thought the radio end of it came under telephone and telegraph operators?

Mr. REED. Yes, sir; this does not all go for clerks.

Mr. KELLEY. There is only one navy yard in the third district, is there not?

Admiral PEOPLES. That is all.

Mr. REED. A navy yard and supply base.

Mr. KELLEY. How many clerks are carried there in this?

Admiral PEOPLES. I think about 21 clerks.

Mr. KELLEY. And about how many clerks are there in the third naval district?

Mr. REED. At headquarters, 78.

Mr. KELLEY. At headquarters where?

Mr. REED. Of the third district.

Mr. KELLEY. Seventy-eight clerks in the third naval district; how many in the navy yard?

Mr. REED. Twenty-one at the navy yard.

Mr. KELLEY. Twenty-one at the navy yard?

Admiral PEOPLES. Yes, sir; they were cut, as I remember, from 238 to 78.

Mr. KELLEY. Clerks in the navy yard and in all the—

Admiral PEOPLES. Labor boards.

Mr. KELLEY. Labor boards. That is the local end of this thing?

Admiral PEOPLES. Yes, sir.

HEADQUARTERS OF THE NAVAL DISTRICTS.

Mr. KELLEY. The big item in this \$1,000,000 is the headquarters of the naval district.

Admiral PEOPLES. But \$300,000 will have to come out of this, too, you know.

Mr. REED. For the communication service.

Admiral PEOPLES. For the communication service; those are not clerks; those people are classified employees, like telegraph operators.

Mr. KELLEY. Is that for the Bulletin again?

Mr. REED. Partly.

Mr. KELLEY. Where is this communication service?

Admiral PEOPLES. 44 Whitehall Street, New York City.

Mr. KELLEY. What else does this take care of besides the Bulletin?

Admiral PEOPLES. The telegraph operators, for example, that are employed by the Government at the Boston Navy Yard; they are paid out of this; and similar expenses at other navy yards wherever they happen to be.

Mr. KELLEY. You would not have very many telegraph operators.

Admiral PEOPLES. There are quite a number; there are several civilian telegraph operators at every navy yard.

Mr. KELLEY. Surely that is not a big item. As I understand, 550 or such a number, are clerks in the headquarters and in communications in New York alone.

Admiral PEOPLES. Clerks and telegraph operators; yes, sir.

Mr. KELLEY. Have you been up there lately?

Admiral PEOPLES. Where, sir?

Mr. KELLEY. At the headquarters of the third naval district?

Admiral PEOPLES. I was there in December.

Mr. KELLEY. How many clerks did they have around there when you were there?

Admiral PEOPLES. It has been brought down to 78. Mr. Chairman, it depends entirely upon your policy with respect to the naval districts and the value from a military point of view.

Mr. KELLEY. But there is no question about its extraordinary cost, is there?

Admiral PEOPLES. As to whether it is going to be maintained as a matter of policy—if it is, the best estimate we would submit, sir, as necessary to maintain it is the present estimate.

Mr. REED. Then you have got to determine whether by abolishing the separate naval district organizations the work either can be stopped or can be maintained by the present force in the navy yards. In other words, whichever way it is done it will take approximately the same number of people.

Mr. KELLEY. Oh, no.

Mr. REED. I say it would take approximately the same number of people.

Mr. KELLEY. No, never; there is too much duplication.

Mr. REED. In the navy yards?

Mr. KELLEY. If you had a great deal of extra work come in your office down here, you could probably distribute it over your organization so as to take care of one-third more work without increasing your force.

Admiral PEOPLES. Impossible, Mr. Chairman; they work overtime now right along.

Mr. KELLEY. Do these clerks at headquarters work overtime.

Admiral PEOPLES. Oh, I do not know, sir.

Mr. KELLEY. The testimony a year ago, I remember, Admiral, was that they sent out circulars; that they wrote letters to all these naval reservists telling them how fine a thing it was, to stay in, and how it was necessary for them to drill; and that meant a lot of people were addressing envelopes, licking postage stamps, and writing letters, and then taking charge of the correspondence to answer

when it came back. The fact is that the Navy is not interested primarily in the Naval Reserve, except as it can get those who have served for four years and are out in private life. Certainly those men could be handled without all this great array of office help.

Admiral PEOPLES. This can be answered only by the Chief of Naval Operations and the Chief of the Bureau of Navigation, Mr. Chairman.

Mr. KELLEY. That is one point in this item of \$5,000,000 which will bear examination.

Admiral PEOPLES. It is a large item. The whole question hinges on the matter of policy. If they are going to be maintained at the present force and that sort of thing, this money is required.

Now, as to the necessity for maintaining them at their present force, that is a matter which must be explained and can be explained only by the officers under whom these naval districts come; that is, the Chief of Naval Operations and the Chief of the Bureau of Navigation.

Mr. KELLEY. Admiral, are not other bureaus charged something for maintenance of these headquarters up there in New York and that organization? Is not the Bureau of Construction and Repair commanded to assign some men up there, and does not the Bureau of Yards and Docks contribute something to the maintenance of those headquarters; do they not maintain it, furnish heat, and light, and power, and janitor, and elevator people, and everything like that? So this does not begin to represent what these things cost. If you had the commandant of the New York Navy Yard handle the whole business all that overhead is gone.

Admiral PEOPLES. But the work will not be done.

Mr. KELLEY. Undoubtedly a good deal of the work is manufactured.

Admiral PEOPLES. In the New York district they have about 27,000 reservists to look out for; in the Boston district it is something like 19,000; in Norfolk it is 32,000. About 120,000 men have been confirmed in their rating in the reserve.

Mr. KELLEY. How many?

Admiral PEOPLES. 120,000.

Mr. KELLEY. They are confirmed; but they do not stay confirmed; do they? They have got to drill and keep up the practice that is laid down down here or they drop out, and they are steadily dropping out; every month the number is getting fewer and fewer unless you keep propaganda going and keep writing to them and urging them.

Now, suppose this language were made a law:

That hereafter no naval defense district organization shall be maintained in a naval defense district separate and distinct from the organization of the principal navy yard in any such district, or separate and distinct from the organization of the naval training station at Great Lakes, Ill., or the naval defense base at Hampton Roads.

How much would that affect this item; can you give us any approximation?

Admiral PEOPLES. That, in effect, abolishes the naval training system.

Mr. KELLEY. Yes; as an independent organization; it does not abolish the organization at all, but it simply says you do not have to have two admirals at separate stations in the same district sending letters to each other back and forth.

Admiral PEOPLES. The practical effect of that will be to abolish the naval defense districts as such.

Mr. KELLEY. It will consolidate activities; it will do to New York and Boston and Mare Island what they have already done to other places, and save duplication of organizations.

Admiral PEOPLES. Of course, there is a good deal of difference of opinion on the matter of policy of the Naval Reserve system.

Mr. KELLEY. Oh, yes.

Admiral PEOPLES. And, of course, much of this has grown up and around this Naval Reserve system. It is like everything else; it starts the whole ball rolling, and the first thing you know it is like a snowball rolling down a hill—it keeps growing bigger and bigger all the time.

Mr. KELLEY. Is there anything more you want to say about that item of labor?

Admiral PEOPLES. No, sir.

SPECIAL ALLOWANCES FOR OFFICERS AND ENLISTED MEN SERVING UNDER UNUSUAL CONDITIONS.

Mr. KELLEY. The next item is special allowances for officers and enlisted men serving under unusual conditions.

Admiral PEOPLES. No money is being spent this year. That item is estimated at \$25,000. We included the item because it provides for—

Mr. KELLEY. You might need it?

Admiral PEOPLES. We might need it; yes, sir; that is it.

Mr. KELLEY. What would be an illustration, now, of serving under unusual conditions?

Admiral PEOPLES. Suppose it were necessary for Admiral Bristol, who is on duty in the Mediterranean, to detail an intelligence officer and put him on shore somewhere. For the time being it is impossible under the rate of exchange and the high cost of living for that officer to exist on his pay.

Mr. KELLEY. He might have to live at a hotel, where the rates would be beyond his commutation for quarters.

Admiral PEOPLES. He would not, under the law, have any commutation, or anything like that; his expenses would have to come out of his own purse; and this would prevent the reimbursing of him for the unusual expenses then existing.

Mr. KELLEY. You have nobody under such expense now?

Admiral PEOPLES. No, sir.

Mr. KELLEY. And this is just to provide for a contingency?

Admiral PEOPLES. That is all; yes, sir.

TRANSPORTATION OF DEPENDENTS OF OFFICERS.

The next item is for transportation of dependents of officers. That is additional, it is a new item, and the estimate is \$250,000 for 1922. This year we estimated \$280,000, and even that is for only six or seven months of the year.

Mr. KELLEY. And heretofore you have had \$250,000?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That makes the total of this item how much?

Admiral PEOPLES. \$5,000,000, sir.

Mr. KELLEY. Can you give me the amount of expense involved in the pay and housing, including maintenance, of students and attachés.

Mr. REED. Yes, sir; maintenance, all expenses of naval attachés abroad, is \$216,000.

Mr. KELLEY. What number does this come under?

Admiral PEOPLES. It comes under No. 8.

Mr. KELLEY. And out of that \$236,500, which covers all those items, two hundred and what is for naval attachés?

Mr. REED. \$286,500; that covers all expenses of attachés abroad, including the collection of information, intelligence work.

Mr. KELLEY. This \$63,573.01 in the first column was spent in 1920?

Mr. REED. No; up until this year we did not include expenses like rents, telegrams—things like that—under that heading; so the expenditures in 1920 were in the neighborhood of \$100,000, and we have in there now all the costs out of all those appropriations on account of attachés.

Mr. KELLEY. Why did you estimate next year's expenditures larger than you estimated this year's expenditures?

Mr. REED. I think Naval Intelligence wants to establish an additional attaché.

Admiral PEOPLES. They have it in the greatest detail, exactly by officers, and how much, why, and where.

Mr. KELLEY. This has grown from \$30,000 in 1915.

Mr. REED. No; in 1915 that \$30,000 did not cover all the expenses.

Mr. KELLEY. Did not cover rent?

Mr. REED. Did not cover the rents. We had to pay clerk hire, telegrams, and matters of that kind.

Mr. KELLEY. Now, the naval attaché at London is housed in the same quarters with the ambassador and minister, is he not?

Admiral PEOPLES. No, sir; he is separate.

Mr. KELLEY. Are they not housed together in London and Paris?

Mr. REED. But we pay our share of the rentals.

Admiral PEOPLES. I think he is in the embassy at Paris, but we pay for our share of the rental of the building.

Mr. KELLEY. You pay your share of it?

Admiral PEOPLES. We pay our share of it; yes, sir. At Montevideo he is separate.

Mr. REED. There are the details as furnished us.

Mr. KELLEY. This amount which you have carried over into the column here—\$236,500—includes the expense of naval attachés' offices in foreign countries and maintenance of students and attachés and the collection of data abroad?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And at home?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Now, as I remember it, we have brought the details of each of these items right straight down through, practically, have we not?

Admiral PEOPLES. Yes, sir; practically.

Mr. KELLEY. Is there anything more that you think of in reference to "Pay, miscellaneous"?

Admiral PEOPLES. No, sir.

MONDAY, JANUARY 24, 1921.

SEPARATE NAVAL DISTRICT ORGANIZATIONS.

Mr. KELLEY. We had finished Saturday with the item, "Pay, miscellaneous"?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Just one other question has occurred to me. I do not know whether you know about it or not, but it is with reference to the separate naval district organizations. Of course you understand there is no disposition to question the necessity of a district organization; the only question that occurred to members of the committee was the possible economy of consolidating the organization at the headquarters of the leading naval stations in a district so as to prevent, if possible, a duplication of overhead, rents, etc. So far as any information you have is concerned, does the existence of the district organization as a separate institution decrease the work of the department in Washington? In other words, is the departmental work decentralized and sent back to these districts so as to make necessary fewer clerks and employees in the department?

Admiral PEOPLES. I believe it does very materially, but to what extent I am not in a position to state. The Chief of Naval Operations will be able to say how much work now done by the districts—

Mr. KELLEY (interposing). I mean because of its separate organization, because of its being a separate entity distinct from the organization of the chief naval station in a district, is there anything about it which requires it to be a separate affair and which takes over certain activities from the Navy Department, thereby transferring the expense from Washington to these headquarters?

Admiral PEOPLES. Yes, sir; I believe it does.

Mr. KELLEY. You think there is some ground for its existence as a separate institution independent of the chief naval station in a district?

Admiral PEOPLES. The work must be done somewhere in a district, and I think as a nucleus of an organization required in time of war the district organization can better be maintained as a separate proposition in time of peace; but as to how much work it should be called upon to perform I can not say; that is a matter of policy which lies squarely under the jurisdiction of the Chief of Naval Operations. The military value of the district organizations, in other words, can be explained fully by him.

Mr. KELLEY. By reason of your position as Chief of the Bureau of Supplies and Accounts you have no more information as to how much work would be transferred from the department than any other bureau chief?

Admiral PEOPLES. No, sir.

Mr. KELLEY. That is to say, there is nothing about your position which would put you in touch with the cost of performing this work if it were done under any other system?

Admiral PEOPLES. No, sir.

Mr. REED. It goes back to the question as to the detailed work in connection with the reserves on inactive duty; if that is to be handled in the districts, by the yards, it would take somewhere about the same force that is now required in the districts; if that is transferred to Washington and all handled from headquarters here it would

require an addition, but how much that would add to the force at Washington we do not know; in other words, we are not in a position to say whether it could be handled more economically from Washington or from the local districts.

Mr. KELLEY. That is, by reason of your position as chief officer of Supplies and Accounts you do not know anything about it?

Admiral PEOPLES. No, sir; because the details of the administration come directly under the Chief of Naval Operations and also the Bureau of Navigation, except in so far as the question—as I testified on Saturday—of the retainer pay of the reserves is concerned. That particular phase of the work comes directly under Supplies and Accounts.

Mr. KELLEY. Out of what fund are the clerks in the naval stations paid?

Admiral PEOPLES. In the naval stations, their pay comes out of the various funds appropriated for all bureaus.

Mr. KELLEY. Each bureau takes care of its own classified force?

Admiral PEOPLES. Yes, sir; for work directly connected with a particular bureau's activities.

Mr. REED. There are certain activities in the districts that are paid for by the bureaus. For instance, if a naval hospital is not attached to a yard, but is under the commandant of a district, Medicine and Surgery pays for the civilian employees for the medical end of it; if it is of such size that we have to maintain a supply and disbursing officer there, Supplies and Accounts pays for the maintenance of the clerical force in the supply officer's office, and so long as that hospital is maintained, Supplies and Accounts is obliged to pay its share of the expense, regardless of whether it is under the commandant of the district or the commandant of the yard.

Admiral PEOPLES. In the same way, if the Bureau of Ordnance, the Bureau of Engineering, or the Bureau of Construction and Repair maintains an office for the inspector of material which is being turned out under contracts for materials, the bureau concerned would bear out of its appropriation the cost of maintaining that office, regardless of the existence of the district organization, although those officers would be under the jurisdiction, from a military viewpoint, of the commandant of a naval district. In other words, the commandant of the district has jurisdiction over all activities of any kind whatever outside the limits of the navy yard.

Mr. KELLEY. Have you any activity at all in the district organizations?

Admiral PEOPLES. In the third naval district there is a supply officer on the staff of the commandant of the district; also in the fifth district at Norfolk and also in the twelfth district at San Francisco.

Mr. KELLEY. Do you transact any business whatever through the naval district organization?

Admiral PEOPLES. Practically none at the present time.

Mr. KELLEY. All of your work is done through your officers at each station?

Admiral PEOPLES. Yes, sir. However, some question might arise such as this, say in connection with the fuel contracts in the twelfth district at San Francisco, the contractors being located, say, 30 or 40 miles away from the navy yard at Mare Island, and if such

a question should arise the supply officer on the staff of the commandant of the twelfth naval district would be directed to handle and adjust the situation.

Mr. KELLEY. You could direct anybody at Mare Island to do the same thing.

Admiral PEOPLES. Yes, sir; if necessary.

Mr. KELLEY. Your officer there?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Do you know enough about the other bureaus to know how much business they transact through the naval districts except the Chief of Operations?

Admiral PEOPLES. No, sir; I do not.

CONTINGENT, NAVY.

Mr. KELLEY. The next item is contingent. This year you had \$75,000 and for next year you are asking for \$50,000.

Admiral PEOPLES. Yes, sir. The appropriation, "Contingent, Navy," is an emergency fund which for many years has been placed by Congress at the disposal of the Secretary of the Navy to cover expenditures of an unusual nature which may or may not arise during any fiscal year in connection with the Naval Establishment, arising at home or abroad, as the terms of the appropriation provide. From its nature, the amount which will be required can not be estimated. Regardless of amount, the use of the appropriation has never been abused. Every cent expended from this appropriation can be authorized only personally and in writing by the Secretary of the Navy. For 1920, war conditions continuing, \$150,000 was appropriated, and \$56,402.75 was expended, leaving a balance to be turned back to the Treasury of \$93,597.25. For 1921, \$75,000 has been appropriated. Up to December 1, 1920, slightly over \$10,000 has been obligated. As an indication of the miscellaneous character of expenditures which are made from this appropriation a list of authorizations and expenditures for the first five months of the current fiscal year—that is, 1921—will be given if you wish. For instance, official entertaining: Chilean naval mission, \$250; Japanese cruiser, *Kasuga*, \$805.79; *Kasuga* and Portuguese cruiser *San Gabriel*, \$477.90; Spanish cruiser, *Alfonso XII*, \$950; for Admiral H. P. Jones, at San Francisco, \$83.22; H. M. S. *Constance*, \$384.83; representatives of the Brazilian Government, \$71.12; Brazilian battleship *Minas Geraes*, \$1,228.98; Sir William Grant, K. C. B., \$150; International Conference; that is, the International Communication Conference, \$170.94; at the launching of the U. S. S. *Wasmuth* and *Fever*, \$147.53; Sir William Packenham, \$1,000; by Commander Mayo at Olympic games, \$500; officials at Honolulu by U. S. S. *McCawley* and *Connecticut*, \$1,280.44; a total of \$7,500.65.

Mr. KELLEY. In each case the authority to spend these sums is given first by the Secretary of the Navy?

Admiral PEOPLES. Yes, sir. A ship, for illustration, is ordered to a particular place or a special mission arises, and then the United States Government is requested to be represented, and if it meets the approval of the Secretary he will designate an officer or officers to represent the Navy. Usually they are given small sums, in the amounts indicated, for the purpose of officially entertaining and

returning in the name of the Navy to the foreign representatives the official courtesies which they might have been extended.

Mr. KELLEY. And this entertaining is limited, is it, to officials of foreign Governments?

Admiral PEOPLES. Strictly so.

Mr. KELLEY. Then there are some miscellaneous expenditures during the same five months amounting to \$2,819.01.

Admiral PEOPLES. Yes, sir. For instance, there were detective services at the Navy supply depot, South Brooklyn, \$665.55, which could not be paid for out of any other appropriation; those services were necessary in order to stop certain stealing going on; travel expenses of Secretary of the Navy, Assistant Secretary of the Navy, and members of the Naval Committee, \$436.78; boats furnished H. M. S. *Calcutta*, \$15; gifts in recognition of services, \$1,269.50; printing invitations, \$9; miscellaneous items, \$423.18, making the total obligations to the 30th of November, 1920—that is, out of the current year's appropriation—\$10,319.66, and leaving a balance of \$64,680.34.

Mr. BYRNES. What do you mean by gifts in recognition of services?

Mr. REED. That related to the gifts given to the officers and men on the British steamer that rescued the submarine that partially went down off the Delaware Capes last fall. You no doubt recall the incident, but I have forgotten the name of the submarine. The submarine was partly submerged and partly above the surface, and by cutting holes through the hull the crew was rescued and the ship was salvaged. The Secretary presented watches and other gifts to the individuals who had most distinguished themselves in connection with that rescue, which is something customary in all services.

Mr. KELLEY. The detective services which from time to time may be required by the Navy are supplied by the Department of Justice?

Admiral PEOPLES. Ordinarily; yes, sir.

Mr. REED. By the Department of Justice or the Secret Service of the Treasury, and the Navy pays the expenses. Under the act of 1893 no Government department can employ the services of the Pinkerton agency or any similar detective agencies; but we do have to reimburse the other departments for the expenses that they incur in doing special investigation work for us.

Mr. KELLEY. Would that include reimbursement for their salaries?

Mr. REED. For their salaries and traveling expenses.

Mr. KELLEY. What is the next item?

TEMPORARY GOVERNMENT FOR VIRGIN ISLANDS.

Admiral PEOPLES. The next item is an appropriation for temporary government for the West Indian Virgin Islands. This appropriation does not directly come under Supplies and Accounts, but it is one of those separate and independent items which is not directly under any bureau or office of the Navy Department except that of the personal direction of the Secretary of the Navy himself. The facts in the case are that the governor of the West Indian Islands reported, under date of September 4, 1920, that—

The explanations and remarks, as well as the estimates given in the inclosure for the present fiscal year, 1921, will hold good in general for the coming fiscal year. In the opinion of the governor, the sum of \$343,440 is the irreducible

minimum for the fiscal year 1922. This sum will not provide for any new projects of an important nature; it will merely provide for meeting the annual deficits in local revenues and will suffice only for maintaining the various departments of the government on a standard equaling the present one.

The appropriation for the present fiscal year is \$343,440, and the estimate for 1922 is the same.

Mr. KELLEY. As I understand it, the Navy Department appoints a naval officer as the governor of these islands.

Admiral PEOPLES. Yes, sir.

Mr. REED. The President appoints him.

Mr. KELLEY. But he is a naval officer?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. The government is administered through the Navy?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And all the expenses of health protection—

Admiral PEOPLES (interposing). And schools, sanitary system, road system, public education, and general utilities of that kind are met out of this appropriation when local funds are insufficient.

Mr. KELLEY. They are all administered by him.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. The local taxpayers pay a certain amount and then the Government supplies the balance?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Which is estimated to be \$343,440?

Admiral PEOPLES. Yes, sir.

Mr. BYRNES. And what proportion do we contribute?

Mr. REED. About one-fourth.

Mr. KELLEY. My recollection is that this is a rather poor community and that there is not very much taxable property there.

Admiral PEOPLES. It is a very poor community. Before the islands were taken over by the United States, and when they were the property of the Danish Government, people were taxed to the very limit, and there was a great deal of poverty throughout the islands. The condition of the people was very poor; they were poorly educated; the educational system and the sanitary system were at their very lowest ebb, so much so that it was a reflection upon the Government that handled them. Every effort has been made by the present administration to improve the condition of the people.

Mr. Wood. How many people live there?

Admiral PEOPLES. I think about—and this is a very rough guess—60,000 on all the islands.

Mr. Wood. How much territory have we in the islands?

Admiral PEOPLES. I should say 60 square miles.

Mr. Wood. And how many islands?

Admiral PEOPLES. Three principal ones.

Mr. KELLEY. Have you any data showing the objects to which this money is applied?

Admiral PEOPLES. If I may read this report from the governor it will be enlightening.

Mr. REED. I might say that prior to the taking over of the Virgin Islands by the United States the average net shortage in revenue which was supplied by the Danish Government was 866,000 francs, or about \$160,000 a year, and in addition to that they had a lottery which brought in some \$60,000 to \$70,000 a year, so that prior to our taking it over the shortage ran from \$220,000 to \$225,000.

Mr. WOOD. I notice that there has been an increase of about 300 per cent in the appropriation in four years. Why has it been necessary to have that large and rapid increase?

Mr. KELLEY. I think the Naval Affairs Committee made a visit down there about a year ago to look into the conditions. They made a thorough personal canvass of the islands with a view to determining what the Government ought to do in the way of helping them because of the awful poverty and degradation prevailing, and these amounts were increased accordingly.

Mr. BYRNES. I think the Rules Committee sent a committee down there.

Mr. KELLEY. The Insular Affairs Committee took it up.

STATEMENT OF REAR ADMIRAL OMAN ON REVENUES, ETC., VIRGIN ISLANDS.

Admiral PEOPLES. This statement from the governor will be very enlightening, and it is in connection with the appropriation of \$344,440 for the current year. The report is as follows:

In order that local financial matters may be better understood, it should be recalled that for many years past the revenues of the Virgin Islands have been insufficient to meet the running expenses of the government, and a very large appropriation, as a supplement to the revenues of the islands, was always provided for in the national budget of Denmark, prior to the transfer of the islands to the United States.

The part of the expenses heretofore borne directly by Denmark is estimated at about \$150,000 per annum, which might be said to represent the annual deficit of Denmark in administering these islands. This amount was offset, however, under the Danish administration by a colonial lottery, which yielded more than \$100,000 revenue annually. Since the United States has taken over these islands there has been no lottery, and, in addition, there have been large decreases in revenues incident to the reductions in import duties under the act of March 3, 1917, under the terms of which all goods of United States growth and manufacture are admitted here duty free, as well as by the putting into effect of local prohibition laws and by the further loss of postal revenues, which under the Danish régime accrued to the local government, but which now accrue to the United States Post Office Department, which has taken over the post offices of the islands. When it is stated that the estimated annual loss from imports alone is \$90,000, it can readily be seen that the net annual deficit of the Government since the transfer must of necessity be considerably larger than in Danish times, even for administering the government on practically the same basis as before the transfer.

Congress, when passing the act of March 3, 1917, providing for a temporary Government for these islands, appropriated the sum of \$100,000 to carry the act into effect, which amount was made available until spent. It has since further provided an annual sum of \$200,000 in the naval appropriation bill, but this annual appropriation and also the continuing appropriation of \$100,000 have been used for meeting deficits. The continuing appropriation of \$100,000 is, however, now almost exhausted and it will thus be seen that so far the deficit under the United States administration has been in the neighborhood of \$235,000 annually.

It is, therefore, absolutely imperative that Congress, for the next fiscal year at least, grant more than the \$200,000 heretofore provided if the local government is not to be put in an embarrassing situation as regards finances. Such increased appropriations should be made for several years if any marked improvements are expected.

Estimates were submitted for the fiscal year 1920 in the sum of \$276,571, but resulted in the granting of only \$200,000 by Congress. Serious financial embarrassment was avoided by the exercise of the strictest economy in running the government, and by reason of the fact that the local government had the good fortune to receive aid from the American Red Cross in the form of supplies worth approximately \$47,000.

In drawing up the following estimates they have been summarized under three headings:

(a) Amount estimated as absolutely necessary to cover deficits in running the government for the fiscal year 1921. This provides only for the running of the government on the same basis as for the past two years.

(b) Estimated amount required to make improvements which are imperative if the government is to be run in a manner approaching American standards. The Virgin Islands have now been in the possession of the United States since March 31, 1917. The inhabitants as a whole welcomed the change of sovereignty in the belief and hope that conditions would be improved, but the time is rapidly approaching when unrest and dissatisfaction will prevail unless something more tangible is done. In fact, the unrest is already evidenced by the recent appearance in Washington of Rothchild Francis, a native of these islands, who testified before a committee of Congress as to local conditions. The following is quoted from the report of the Senate Committee on Porto Rico and Pacific Islands, before whom he appeared:

"The Committee on Pacific Islands and Porto Rico, to whom was referred the joint resolution (S. J. Res. 69) appointing a commission to report on conditions in the Virgin Islands, having had the same under consideration, report thereon with the recommendation that the joint resolution do pass. The following testimony is appended and made a part of this report:

"The history of the acquisition of the Virgin Islands by the United States is well known. The government of these Islands is now conducted under an act passed March 3, 1917, which provided a temporary government for them. Undoubtedly the United States would have paid more attention to the Virgin Islands had not it been that shortly thereafter we were precipitated into war, and these islands seem almost to have been forgotten."

The report in full is printed on page 4491 of the Congressional Record of August 20, 1919, and, while many of the evils mentioned therein can not be overcome except by a change of existing laws, there are many improvements which can be effected if funds are made available and which would have been made had funds previously requested been appropriated.

(c) Desirable improvements: Under this heading are included estimates for improvements which are not absolutely necessary, but which would be in the nature of constructive work.

In view of the foregoing it is urgently recommended that the following estimates be submitted to Congress under the appropriation "Temporary government for the West Indian Islands," but that the following textual change be made in the bill, so that it will read, "Government of the Virgin Islands of the United States":

1. Estimated amount absolutely necessary to cover deficit in running the government for the fiscal year 1921-----	<u>\$343,440</u>
2. Estimated additional amounts required to make improvements which are imperative if the government is to be run in a manner approaching American standards (listed by departments):	
Department of health—	
Medical service-----	279,900
Sanitation service-----	14,840
Department of public works-----	440,000
Department of education-----	330,000
Judiciary, police, and prison departments-----	37,500
Fireboat and harbor tug (250 tons)-----	60,000
Poor department, establishment of a poor farm in these islands-----	60,000
	<u>1,222,240</u>

(There are at least 2,500 residents in the Islands to whom the term "pauper" may be applied—almost 10 per cent of the population.)

3. Desirable but not absolutely necessary improvements----- 3,891,500

Briefly detailed explanations of the amounts asked for under "1," "2," and "3" are given below. The situation in regard to the amount requested under "1" to cover deficit for running the Government for the next fiscal year is serious. The estimated expenditures for this period are as follows:

Expenditures.

Colonial councils	\$7,000
Judiciary, police, and prison departments	70,400
Fire departments	8,500
Harbor department	26,500
Department of health:	
Medical service	226,840
Sanitation service	34,300
Department of education	69,000
Poor department	40,000
Public works department	62,000
United States expenses	25,000
Subsidies	5,000
Pensions and allowances	4,000
Miscellaneous	4,500
	583,440

The amount requested for poor is increased \$18,000 by reason of the exhaustion of the poor fund which hitherto supplied funds to the extent of this amount annually.

Revenues.

Direct taxes	\$95,000
Indirect taxes	100,000
Sundry revenues	20,000
Harbor department	25,000
	240,000

Leaving a deficit of \$343,440 to be made up by appropriation from Congress. There can be no reduction in the amount requested under this heading without resulting in serious financial embarrassment and a step backward in the administration of the affairs of the islands.

Item "2" Department of Health—Medical service, \$279,900. With the funds requested under this heading it is proposed to make the following improvements which will bring the activities under this service up to at least an approximation of American standards:

Medical service, St. Thomas-St. John.

Enlargement of obstetrical and children's ward	\$7,000
Nurses' home:	
Construction	\$16,000
Equipment	5,000
Patients' dining room	3,000
Flooring in hospital	5,000
Cement walks along pavilions of hospital	900
Pavilion for pay patients:	
Construction	20,000
Equipment	6,000
Pavilion for isolation of venereal patients:	
Construction	17,000
Equipment	4,000

Medical service, St. Croix.

General hospital, capacity of 150 beds:	
Construction	150,000
Equipment	20,000
Nurses' home at Richmond to accommodate 50 nurses, superintendents, and assistants:	
Construction	20,000
Equipment	6,000
	272,900
	279,900

The necessity for the above items is explained as follows: Medical service, St. Thomas-St. John.

The medical service, St. Thomas-St. John renders medical, surgical, and obstetrical attendance to the 10,000 people of the municipality at an average rate of 700 hospital patients a year, 350 obstetrical patients, and 5,000 out-of-hospital patients a year. All these activities are centered in the municipal hospital, a series of old stone buildings primarily built for the care of the insane. A few minor improvements during the last year have made it possible to use this place as a general hospital, but satisfactory work can not be accomplished until the major improvements and the additions estimated for are effected.

Enlargement of obstetrical and children's ward: The present obstetrical and children's ward accommodates only 8 mothers, 8 infants, and 12 children, while there is constant need for hospital of double that number. Not without such accommodation can infant-welfare work be carried on successfully, and infant-welfare work is the crying need in this municipality, where until recently the infant mortality was 250 per thousand births.

Nurses' home: The hospital has under training a class of native nurses. The difficulty of properly training nurses without the supervision that can be accomplished through a nurses' home can be readily understood. This difficulty is greater in this community than possibly any other place on account of the unfavorable home conditions for these young women.

Patients' dining room: The hospital has no patients' dining room, all patients being served at the bedside. This very inconvenient and time-consuming procedure is an annoying hindrance to adequate nursing service.

Flooring in hospital: The present wood floors in the main pavilions are worn out and harbor wood lice and bedbugs. Modern hospital flooring is necessary to make these pavilions suitable for hospital quarters. The pavilions of the hospital must be connected with cement walks in order to make it possible to transport food and patients to the various parts of the hospital.

Pavilion for pay patients: The present pavilions of the hospital provide no place for private rooms and the people of the community who can not be satisfied with ward accommodations have no hospital facilities, but have to be attended in their homes. Since there are no private hospitals in the municipality, it appears that it is the duty of the community to furnish hospital facilities not only for the indigent but also for the people who can pay for services rendered.

Pavilion for isolation of venereal patients: The venereal diseases are seriously undermining the health and life of the population and the preventative work has been greatly hampered by lack of place for isolation of carriers of venereal infection. The laws of the community demand isolation of venereal patients, but the provisions can not be carried out on account of this lack of place for isolation.

Medical service, St. Croix: The municipal medical service of St. Croix has no hospitals worthy of the name. Hospital patients are housed in an old church and in some shacks wholly unsuitable for the purpose and not worthy of repair. It is a disgrace to ask sick people to enter these so-called hospitals. A general hospital with 150 beds' capacity will give adequate hospital facilities to the whole island and appears to be the only economical solution of the hospital problem in St. Croix.

Mr. WOOD. It evidently needs a good deal of fumigation.

Admiral PEOPLES. Sanitation is one of the principal demands.

Mr. KELLEY. I think you have given an itemization of the \$344,440.

Admiral PEOPLES. Yes, sir.

EXPENSES, CIVILIAN NAVAL CONSULTING BOARD.

Mr. KELLEY. What is your next item?

Admiral PEOPLES. The next item is on page 10, for the expenses of the civilian naval consulting board. This is also a separate appropriation which comes directly under the Secretary and is not connected with or under the jurisdiction of any bureau or officer of the Navy Department.

Mr. KELLEY. This is board of which Mr. Edison is the chairman?

Admiral PEOPLES. Yes, sir. The expenditures under this appropriation are made upon the certification of the chairman of the board, Mr. Edison, that the expenses have been incurred with the approval

of the naval liaison officer, Rear Admiral William Strother Smith, and so far as it has been possible to determine they are never excessive for the results obtained. The actual disbursements are made from private funds of the chairman or the secretary of the board, and reimbursements are made from the appropriation upon the certification of the chairman of the board. For the fiscal year 1920, \$25,000 was appropriated, and of that amount \$6,546 has been expended, leaving an unexpended balance of \$18,454. For the fiscal year 1921 \$15,000 was appropriated, and up to November 30, 1920, the expenditures recorded were \$676.97. What the expenditures during the remainder of the year will be, of course, can not be determined.

Mr. KELLEY. Was this board in existence before the war?

Mr. REED. Yes, sir; it was established in 1916. The first appropriation for the purpose was in 1917.

Mr. KELLEY. I suppose that in ordinary times of peace the board would not function very much.

Mr. REED. They still carry on certain experimental work. The expenses reported so far this year have been only \$676.97. However, they are functioning and are doing good work so far as we know.

Mr. KELLEY. Suppose you make a short statement in regard to the work of this board.

Admiral PEOPLES. The Secretary of the Navy received from several sources, in fact from hundreds of sources, various suggestions as to improvements, inventions, and developments in original lines of work, which he regarded as of advantage to the Navy. In most cases the service was voluntary. He then conceived the idea of forming a naval consulting board, consisting of men who were prominent in their professions, and he appointed as chairman of that board Mr. Edison. The members of the board serve without any compensation whatever, and to this board has been referred at various times new problems and naval inventions.

Mr. KELLEY. Is it quite a large board?

Admiral PEOPLES. It consists of 21 members.

Mr. KELLEY. They are mostly men of science?

Admiral PEOPLES. Yes, sir.

Mr. Wood. Are any of them naval men?

Admiral PEOPLES. They are all civilians.

STATE MARINE SCHOOLS.

Mr. KELLEY. What is the next item?

Admiral PEOPLES. The next item is on page 13, for the State marine schools. The expenditures under this appropriation are authorized by the act approved March 4, 1911. Before payments are made to the States, they are required to submit evidence showing that the expenditures from the State funds are in excess of the amount appropriated by the United States. Actually the State expenditures are largely in excess of the amounts for which reimbursements are made. Complete information is not available, nor is it possible to obtain it in the limited time since we were requested to submit a memorandum relative to this appropriation, but for the current fiscal year the State of Massachusetts has appropriated \$87,350 for the support of the State nautical school, and New York has appropriated \$97,500 per annum for the support of its school. The files examined do not

show what is being expended for the State of Washington, but no appropriation has been requested until it has been shown that the States are complying with the requirements of the act of March 4, 1911, and no payment is made until evidence has been submitted showing the expenditures in excess of the amount reimbursed by the United States.

Mr. KELLEY. Has the State of Pennsylvania made any request to be reimbursed?

Admiral PEOPLES. Not that I know of.

Mr. REED. There has been some correspondence with them, but I can find no letter from them asking that an appropriation be made for them this year.

Mr. BYRNES. Do you mean by this a school especially engaged in marine work?

Admiral PEOPLES. These State marine schools have been established by States for the instruction of boys who wish to adopt a career at sea.

Mr. BYRNES. What proportion of the expense do we pay?

Mr. REED. We reimburse them the expenses actually incurred if they do not exceed \$25,000 a year, but all of the States, to whom reimbursements have been given, have been expending from three to four times the amount that they get back.

Mr. FRENCH. Is it the intention that these schools shall supplement the Navy or supplement the Marine Corps?

Admiral PEOPLES. Yes, sir; both. These boys, when they graduate, go into the merchant marine and some of them go into the Navy. That was the general principle behind it—to encourage sea training for young boys—the original legislation being passed over 10 years ago.

Mr. Wood. If this idea of disarmament prevails you will not need so many of them?

Admiral PEOPLES. They will be needed in the merchant marine. It was the purpose to encourage the training of boys for service in the merchant marine.

Mr. BYRNES. It was more for that purpose than for the purposes of the Navy, was it not?

Admiral PEOPLES. It was primarily for the merchant marine.

Mr. KELLEY. I think it was stated that most of the boys found their way into the merchant marine service, although they sometimes go into the Navy. However, it was a potential strength for the Navy.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. I wish you would look up the status of Pennsylvania and also of the State of Washington under this item.

Mr. REED. Yes, sir. We have no data in our files as to the amounts they appropriated for the current year.

Admiral PEOPLES. The other day at a hearing held by the Committee on Naval Affairs I think Capt. Stephens preceded us in our hearings in connection with the State Marine School in Washington.

Mr. KELLEY. What is your next item?

CARE OF LEPERS, ETC., ISLAND OF GUAM.

Admiral PEOPLES. Care of lepers, etc., island of Guam. This appropriation covers the maintenance and care of lepers and patients afflicted with special diseases in and from the island of Guam. The

necessity for this appropriation has been submitted to Congress at various times during the past 10 years, and appropriations have been made for this object.

During 1920 all except \$592.56 of the appropriation of \$20,000 was expended. The reports received up to the present time show expenditures under the 1921 appropriation of \$2,510.51, and based on past experience it is reasonable to assume that the full amount of the appropriation will be properly expended during 1921 and that a similar amount can be used and should be appropriated for 1922. Any reduction in the appropriation for 1922 would simply mean that less consideration can be given to patients of the character specified than has been given in the past.

Mr. KELLEY. Is this the only authority for that item, the annual language?

Admiral PEOPLES. Yes, sir; it all comes out of this appropriation.

Mr. Wood. How many leper patients have we?

Mr. REED. Several thousand on the island.

Mr. Wood. Natives of the island?

Mr. REED. Yes, sir. When their condition becomes so there is no hope for them they are transferred to the island of Culion, in the Philippine Islands, a leper colony.

Mr. Wood. What do you do with the native leper patients?

Admiral PEOPLES. In the Navy?

Mr. Wood. Yes, sir.

Admiral PEOPLES. They are taken care of by the Public Health Service.

Mr. Wood. The Public Health Service has jurisdiction over those patients?

Admiral PEOPLES. Yes, sir.

Mr. REED. In the United States I think they are taken care of by the State authorities. For instance, there are two now in the District of Columbia.

Mr. Wood. One got away?

Mr. REED. Yes, sir. Early got away and came back several times. I think he is still down here.

PAY OF THE NAVY.

Mr. KELLEY. What is the next item?

Admiral PEOPLES. The next item is on page 69, Mr. Chairman, "Pay of the Navy." The original estimate for pay of the Navy, after we finish the subheads, is given on page 71 as amounting to \$184,923,910. On the basis of the data furnished to us as the result of the hearings here, in order to provide for 100,000 men a sum of \$139,306,550 will apparently be required for pay of the Navy. This provides for the number of officers estimated by the Bureau of Navigation, the number expected to be in the service, not exceeding the total authorized by law, plus 500 officers for aviation duty and 100,000 chief petty officers, enlisted men, and apprentice seamen. It is also contingent upon the passage of pending legislation reducing the retainer pay of all members of the Naval Reserve Force which have been confirmed in rating to one month's base pay only for each year's service, and taking away retainer pay during periods of active

duty. Provision is also made for the following amounts for members of the Naval Reserve Force performing active duty under training: Commissioned officers \$854,105, and enlisted men \$2,461,200, or \$3,315,305, the total for pay of the Naval Reserve Force on active duty and for retainer pay being \$10,982,527, included, of course, in the total of \$139,306,550.

Mr. KELLEY. You say that the \$10,982,527 for the Naval Reserves is on the basis of one-half of what they are getting now?

Admiral PEOPLES. For retainer pay; yes, sir.

Mr. KELLEY. For officers and men confirmed?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. We will continue discussing the item, "Pay of the Navy?"

Admiral PEOPLES. We have prepared a statement, Mr. Chairman, showing in detail the estimates under the various subheads of this appropriation, giving the sea and shore duty pay of the active and retired officers, commutation for quarters, heat and light allowance, pay of enlisted men, interest on deposits, extra pay to men reenlisting with honorable discharge, pay of apprentice seamen, pay of members of Naval Reserve Force, payment of \$60 bonus, payment of death gratuities, and reimbursements for losses of property. The estimate, as made up according to numbers furnished by the Bureau of Navigation, amounts to \$139,306,550, as compared with the original estimate of \$184,923,910.

Mr. KELLEY. This is based upon the officers estimated to be in the Navy during the coming year, including the graduating class from the Academy next June?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. An average of 100,000 men?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And the Marine Corps is figured separately?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. As figured, \$139,306,550 is the total under this paragraph, "Pay of the Navy"?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. On the basis of 100,000 men?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And the full complement of officers expected to be in the Navy during the same fiscal year?

Admiral PEOPLES. Yes, sir.

PAY AND ALLOWANCES OF COMMISSIONED OFFICERS.

Mr. KELLEY. We will take up the first item, "Pay and allowances of officers on sea duty and other duty and officers on waiting orders," how much is that item?

Admiral PEOPLES. That amounts to \$37,023,859.

Mr. KELLEY. That includes the pay and allowances of all commissioned officers?

Admiral PEOPLES. Yes, sir; officers both active and retired—including the midshipmen—sea and on active duty on shore.

Mr. KELLEY. It also includes the warrant officers?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. In determining the amount of the pay of the officers on sea duty, what did you use as the average pay?

Mr. REED. We took the actual number of officers in each rank and for each estimated degree of longevity and computed the pay exactly for each number—that is, lieutenants, for 20 years, for 15 years, for 10 years, and for 5 years, and for less than 5 years we computed the pay in that way, not using any average figure for any grade or officer.

Mr. KELLEY. This is not an estimate at all, but almost an exact mathematical calculation?

Admiral PEOPLES. It is of those actually in the service, except such additions as may be made to the various numbers and ranks by operation of law, fixed by law.

Mr. KELLEY. And you added to that the commutation for heat and light?

Admiral PEOPLES. As authorized by law.

Mr. KELLEY. Both on shore and when at sea?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Including the pay of the midshipmen?

Admiral PEOPLES. Two thousand five hundred at \$780 per midshipman.

Mr. KELLEY. Those three items—pay of the officers, commutation of officers, and pay of midshipmen—amount to \$37,023,859?

Admiral PEOPLES. Yes, sir.

Mr. REED. It may be of interest to you to know, in connection with the calculation of allowances for officers afloat, where they receive commutation for heat and light only where they have dependents that they are providing for, it is the judgment of Navigation and ourselves that approximately 75 per cent of the officers afloat receive commutation. The officers ashore receive that under a different law.

PAY OF OFFICERS ON THE RETIRED LIST.

Mr. KELLEY. Pay of officers on the retired list?

Admiral PEOPLES. Of the total number of officers on the retired list, 29 are on active duty and the remaining number, 941, are on the inactive list, the total amount for that item being \$3,113,771.

Mr. KELLEY. Those on active duty are receiving pay and allowances of the grade in which they are serving?

Admiral PEOPLES. Yes, sir.

COMMUTATION OF QUARTERS FOR OFFICERS, GUNNERS, MACHINISTS, NAVAL CONSTRUCTORS, ETC.

Mr. KELLEY. Commutation of quarters?

Admiral PEOPLES. Under the law officers are entitled to commutation of quarters at regular rates depending upon the rank held by each and the duty performed by each, the total amount for that item, for sea duty and shore duty, aggregating \$4,254,192. That item also includes the commutation for quarters for officers of the Reserve Corps on active duty.

Mr. KELLEY. What is the allowance per room?

Admiral PEOPLES. \$12.

Mr. KELLEY. And the number of rooms that any particular officer is entitled to is fixed by law?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Depending on his grade?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Are there any retired officers receiving commutation of quarters?

Admiral PEOPLES. Yes, sir. There happens to be two officers on the retired list on foreign duty, drawing commutation of 14 rooms, making a total of \$2,016, and 139 rooms for 27 officers, retired officers, on shore duty drawing commutation for quarters amounting to \$20,016, or \$22,032. Two of them are on shore duty abroad receiving commutation of quarters equivalent to 14 rooms.

Mr. KELLEY. Seven rooms each?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. They must be captains?

Admiral PEOPLES. Yes, sir. The others are only drawing commutation of quarters amounting to 139 rooms, making a total of \$22,032 for that item.

Mr. KELLEY. Are they on active duty?

Admiral PEOPLES. They are on active duty; yes, sir.

Mr. KELLEY. Are the 29 officers spoken of as being on active duty retired officers?

Admiral PEOPLES. Yes, sir. Retired officers on the inactive list receive no commutation or allowance of any sort.

COMMUTATION OF QUARTERS, NURSE CORPS.

Mr. KELLEY. The next is commutation of quarters, Nurse Corps?

Admiral PEOPLES. \$1,000.

Mr. KELLEY. How does that come about?

Mr. REED. When there are no Government quarters for nurses, under the law they receive commutation of quarters not to exceed \$15 a month. It does not often happen that we have to pay for it. The necessity sometimes arises and it is necessary to provide for them in the bill. It is a statutory allowance.

HIRE OF QUARTERS FOR OFFICERS.

Mr. KELLEY. The next item is hire of quarters for officers?

Admiral PEOPLES. Officers on the active list, entitled to commutation of quarters at a place where Government quarters are not available, amounts to \$25,000.

Mr. REED. It would be principally in a case where officers were attached to a submarine and the tender being away with a part of the flotilla the other officers would have to have quarters on shore, and we hire quarters for them.

PAY OF RETIRED ENLISTED MEN.

Mr. KELLEY. The next item is pay of retired enlisted men?

Admiral PEOPLES. Four hundred and fifty chief petty officers, with the average rate of retired pay amounting to \$1,050 for each individual, and 197 at \$750 each, making a total of \$620,250; 647 in all.

Mr. KELLEY. What are the requirements for the retirement of chief petty officers?

Admiral PEOPLES. Thirty years' active service entitles a man to retire at three-quarters of his pay and also entitles him to an allowance of \$15.75 per month in lieu of rations, clothing, quarters, fuel, and light.

Mr. KELLEY. So that the amount each one receives would vary a little, depending upon his rating when retired?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. This \$1,050 per man is the average of what you are going to have to pay next year?

Admiral PEOPLES. Yes, sir. That figure changes very little. There have been very few changes that I know of for some time.

Mr. KELLEY. The number of men who serve 30 years or more is a very small percentage?

Admiral PEOPLES. Very few, as I remember. There has been very little change in that figure of 647 for some time, since the passage of the naval reserve law.

Mr. REED. The additions to the retired list have been practically offset by the casualties; it has been almost constant.

Mr. KELLEY. The 197 are those below the rank of chief petty officer?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. What are the requirements for retirement?

Admiral PEOPLES. The same.

Mr. KELLEY. They have to serve 30 years in any event?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And when they retire they are in a particular grade, and they get three-quarters of the pay of that grade annually thereafter for life?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And three-fourths of the ration allowance?

Admiral PEOPLES. Yes, sir. They have also the right to go to the naval home at Philadelphia, but if they do that they lose their commuted rations allowance.

EXTRA PAY TO MEN REENLISTING WITH HONORABLE DISCHARGE.

Mr. KELLEY. The next item is, "Extra pay to men reenlisting with honorable discharge."

Admiral PEOPLES. That item amounts to \$6,447,360.

Mr. KELLEY. In that item do you figure the two-year man—that is, those who have served two years as being entitled to the four months' bonus?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. If we figure the 2-year men as receiving two months' bonus, which was evidently the intent of the law, how much would that item be?

Admiral PEOPLES. That item, Mr. Chairman, includes a total of 18,040 men, so-called 2-year men, and there would be of that number 9,020 at an average of \$240 and 9,020 at an average of \$216.

Mr. KELLEY. On the basis of four months?

Admiral PEOPLES. Yes, sir; on the basis of four months; and on a 2-year basis it would make a reduction in the item of \$2,056,560.

Mr. KELLEY. What will be the total for that item?

Admiral PEOPLES. \$4,390,800.

Mr. KELLEY. In arriving at that figure you took the statement of the Bureau of Navigation as to the number of enlistments expiring in the different ratings and the number reenlisting in the different ratings for the year ending June 30, 1922?

Admiral PEOPLES. According to the testimony of the Chief of the Bureau of Navigation as read here at this hearing, it appears that a total of 43,123 men will be discharged by reason of the expiration of enlistments and that approximately 60 per cent will reenlist, as follows: Three thousand six hundred and seventy-eight men, of whom 90 per cent, or 3,310, will reenlist, at an average cost of \$504, making a total of \$1,668,240; 1,503 minority enlistments, of whom 60 per cent, or 903, will reenlist, at \$240 each, making \$216,720; 2,367 duration-of-war men, 60 per cent, or 1,420, of whom will reenlist, at an average of \$288 per man, or \$408,960; 201 miscellaneous discharges, 60 per cent of whom, or 120, are expected to reenlist, at an average cost of \$336 per man, amounting to \$40,320, which, together with the 1,840 two-year men, will amount to \$2,056,560, or a total of \$4,390,800.

Mr. KELLEY. Those are the figures given by the Bureau of Navigation, Admiral, with the exception of the pay for the 18,040, which the Chief of the Bureau of Navigation figured on the basis of four months' bonus, namely, for 9,020 they figured \$204 and the average of 9,020, \$216. That would make the figures in harmony with the original figures which you gave of \$6,447,360?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. The only change in this item is due to the provision for the payment of two months' bonus to the two-year men instead of four months' bonus to the two-year men?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. In calculating on the 18,040 men the Bureau of Navigation first deducted from the 35,000, 5,000 who would be discharged outright for reasons other than the expiration of enlistments, leaving around 30,000 as the number eligible to reenlist, and 60 per cent of 30,000 would be 18,000, approximately, which they have figured on?

Admiral PEOPLES. Yes, sir; 18,000 represents 60 per cent of the 30,000.

Mr. KELLEY. The 30,000 was arrived at by deducting the 5,000 which, in the judgment of the Bureau of Navigation, would not be eligible to reenlist?

Admiral PEOPLES. So I understand from the hearings, sir.

INTEREST ON DEPOSITS.

Mr. KELLEY. The next item is, "Interest on deposits, \$10,000." What is that?

Admiral PEOPLES. According to the law, enlisted men of the Navy may open savings accounts with the Government, and they are entitled to receive 4 per cent interest on such sums as may be deposited until the expiration of their terms of enlistment. The amount of the interest on deposits is estimated to cost \$10,000 for 1922.

Mr. KELLEY. This is intended to encourage saving and thrift in the Navy?

Admiral PEOPLES. Yes, sir. I hope that something will be done to bring the saving habit more up to date, but it will necessitate certain changes in the law. The matter is under consideration by the Navy Department at the present time.

PAY OF ENLISTED MEN, ACTIVE.

Mr. KELLEY. The next item is, "Pay of enlisted men, active," on the basis of 100,000 men, all told, in the Navy?

Admiral PEOPLES. That consists of 94,209 men on the active list at an average cost of \$768.84, amounting to \$72,421,647.

Mr. KELLEY. How did you distribute the men in the different grades to reach the average which you have used here of \$768.84 per man?

Admiral PEOPLES. In order to arrive at that average we used 143,500, which is the basis upon which the original estimates were submitted, and prorated it down to the basis of 100,000 men.

Mr. REED. In other words, Mr. Chairman, we assumed pro rata reductions in numbers in all of the grades from what would be necessary for 143,000 men, and unless that can be reached by the Bureau of Navigation the grades may be too low.

Mr. KELLEY. I think perhaps it would be well to put your distribution by grades in the record.

Mr. FRENCH. I think it would be low. The falling off would be among the men in the lower grades.

Mr. KELLEY. It would all depend on whether you estimated on the basis of 143,000.

Distribution, by ratings, of 100,000 men, on which revised estimate is based.

Chief petty officers:		Cabin stewards and cabin cooks -----	278
Permanent appointments	8,362		
Acting appointments	4,320	Wardroom stewards and ward-room cooks-----	168
Petty officers:		Steerage stewards and steerage cooks-----	668
First class	11,218	Warrant officers' stewards and warrant officers' cooks-----	202
Second class	6,652	Messmen:	
Third class	5,088	First class-----	1,225
Seamen:		Second class-----	812
First class	7,999	Third class-----	4,219
Second class	17,999	Permanent and temporary additions to pay-----	
Third class and apprentices	12,021	Total-----	100,000
Apprentices under training	5,791		
Firemen:			
First class	2,527		
Second class	2,738		
Third class	7,713		

That makes a total of \$72,421,647 for the pay of the enlisted men, exclusive of certain other specifically mentioned classes.

Mr. REED. Yes, sir.

PAY OF PRISONERS.

Mr. KELLEY. The next is pay of prisoners.

Admiral PEOPLES. One thousand three hundred are estimated for at an average cost of \$504, amounting to \$655,000.

Mr. KELLEY. That is based on the experience per thousand men in the Navy, I suppose?

Admiral PEOPLES. That is the estimate of the Judge Advocate General of the Navy as to the number that will be in next year.

Mr. FRENCH. That includes those men who are being punished for infraction of the rules and regulations.

Admiral PEOPLES. Those who are sentenced by general courts-martial.

Mr. KELLEY. How do you arrive at \$504 as the average?

Mr. REED. That has been the average for many years.

Mr. KELLEY. Running back over a period of several years?

Mr. REED. Yes, sir. While they do not receive this pay, it is credited to the fines and forfeitures fund, and a part is used for the transportation of discharged prisoners to their homes, and then the unexpended balance is credited to the naval hospital fund.

Mr. FRENCH. That is, this \$504?

Mr. REED. Yes, sir.

Mr. FRENCH. They do not receive that?

Mr. REED. No; they receive, possibly, only \$3 a month, but it is charged against this appropriation.

PAY OF APPRENTICE SEAMEN.

Mr. KELLEY. The next is apprentice seamen.

Admiral PEOPLES. The estimate is 5,791 men at a total cost of \$2,294,136; that is at an average cost of \$396 per year.

Mr. KELLEY. How did you arrive at the number, 5,791?

Mr. REED. Navigation gave that as the number they would have. This particular item is supposed to cover the regular pay of the apprentice seamen under training at any particular time, but, as a matter of fact, we have apprentice seamen paid for under item 9, and the number that can be under training at any time is fixed by law at 6,000.

Mr. KELLEY. This is really to limit the number at the training schools?

Mr. REED. Enlisted as apprentice seamen.

Mr. KELLEY. There might be others at the training schools enlisted in the higher ratings.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. But 6,000 is the limit that can be in training at one time?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Under permanent law?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Under temporary law the number has been somewhat increased, so that there could be more in training.

Admiral PEOPLES. Twenty-four thousand, I believe.

Mr. KELLEY. How long does that temporary provision stand—until the war ends officially?

Mr. REED. That is effective until six months after the termination of the emergency of the present war.

Mr. KELLEY. You are providing only for the number allowed under the permanent law?

Admiral PEOPLES. Yes, sir.

PAY OF THE NURSE CORPS.

Mr. KELLEY. The next is the pay of the Nurse Corps.

Admiral PEOPLES. There are 704 members, the total of their pay amounting to \$688,608, at an average cost of about \$900 per annum.

Mr. KELLEY. The nurses in the Navy get the same pay as the nurses in the Army, I suppose?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. It is merely a matter of appropriating for the number who are estimated to be in the service next year upon the basis of existing law?

Admiral PEOPLES. Yes, sir.

RENT QUARTERS FOR NURSE CORPS.

Mr. KELLEY. The next is rent of quarters for nurse corps.

Admiral PEOPLES. The amount is \$29,000. Where Government quarters are not available for them, quarters are sometimes rented in the vicinity of hospitals, and it is estimated that that item will cost for the next year \$29,000.

PAY OF MEMBERS OF NAVAL RESERVE—ACTIVE DUTY PAY.

Mr. KELLEY. The next is pay of members of Naval Reserve force, active duty pay, and the first subhead is "Officers on active duty."

Admiral PEOPLES. There are 500 estimated for at a cost of \$1,017,000.

Mr. KELLEY. The 500 on active duty are not counted in the 9,504 officers for which you figure pay under heading 1?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Do they not get the regular pay of the Navy and this Reserve pay?

Mr. REED. Their active duty pay is carried in this item, and their retainer pay is also carried as a part of it.

Mr. KELLEY. The \$1,017,000 includes 14 months' pay for each officer?

Mr. REED. No; that is just their active duty pay, their retainer pay being figured in the subhead below.

Mr. KELLEY. Then the \$1,017,000 is the pay which the same number of officers would receive in the same ratings of the Navy?

Admiral PEOPLES. Yes, sir; it represents the active duty pay of the rank held by each individual.

Mr. KELLEY. Are these the 500 for aviation?

Admiral PEOPLES. Yes, sir.

Mr. REED. Aviation and reserves.

Mr. KELLEY. And the auxiliary service?

Mr. REED. Yes, sir.

Mr. KELLEY. What about the retainer pay of these officers on active duty?

Admiral PEOPLES. The retainer pay for Reserve officers on active duty, under training, amounts to \$854,105.

Mr. KELLEY. Does that include the same 500 men?

Mr. REED. These are the officers who will perform their training in varying periods from one month to two months within the year.

Admiral PEOPLES. But they are not the 500.

Mr. KELLEY. Let us finish the 500 first. It is my understanding that under existing law these officers on active duty receive not only the regular pay of officers of the same grade in the Navy but they receive two months' retainer pay besides, and what I want to know is whether the 14 months' pay is included in this \$1,017,000?

Admiral PEOPLES. No, sir.

Mr. REED. The retainer pay is included in the third item below?

Admiral PEOPLES. Under the heading "officers confirmed."

Mr. KELLEY. The retainer pay of 500 officers should come out if you do not intend to give them 14 months' pay.

Admiral PEOPLES. Yes, sir; it will come out of that item, whether they are confirmed or not confirmed, if the amount of the retainer pay is reduced to one month; it will have to come out of either one of those items.

Mr. KELLEY. \$1,017,000 is the pay they would receive if they did not get any retainer pay at all, leaving that question out of consideration altogether?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. So that figure can stand?

Admiral PEOPLES. Yes, sir; that figure represents the active-duty pay for 12 months for each officer of the reserve force on active duty, according to the rank held by the individual.

RETAINER PAY.

Mr. KELLEY. The next item is the retainer pay.

Admiral PEOPLES. That item is made up as follows: Active-duty pay under training, for officers, \$854,105; officers confirmed, 6,790 officers, at a total cost of \$1,708,211; officers not confirmed, 10,000, at \$120,000.

Mr. KELLEY. That makes a total for officers of \$2,682,316!

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. If it were decided that a reserve officer on active duty should not receive the retainer pay, how much would that reduce the amount under officers confirmed?

Admiral PEOPLES. Did I understand that question correctly, sir, that if an officer on active duty, regularly employed throughout the year, was not entitled to retainer pay, either being confirmed or unconfirmed, how much that would amount to?

Mr. KELLEY. If he were not. If he received the same pay as a regular officer in the Navy and not this two months' extra pay.

Admiral PEOPLES. And was on duty for 12 months of the year?

Mr. KELLEY. Yes.

Admiral PEOPLES. That item would amount to just the number that are on active duty.

Mr. KELLEY. That is, 500, and what would be the average pay of those 500?

Mr. REED. We would have to find out from Navigation the number on active duty confirmed and those not confirmed.

Admiral PEOPLES. Of that 500 some are confirmed and some are not confirmed. It might be \$12 a year or it might be two months' base pay.

Mr. KELLEY. You will inquire into that and let us know the amount?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. I want to know the amount that could be deducted in case it was thought best to take away their retainer pay in those cases where they receive the full pay of a regular officer of the Navy of the same rank, by reason of being on active duty.

Admiral PEOPLES. Suppose a condition of this kind arose: That an officer of the reserve force were on active duty, say, eight months out of the year—would he lose all of his retainer pay or should it be estimated on just the number that are expected to perform 12 months' active duty throughout the year?

Mr. KELLEY. Well, probably the equitable way would be to take the proportionate part. If a man were on active duty the full year and received the pay of a regular officer, that ought to be sufficient, and possibly it would be well to reduce the retainer pay proportionately, if he were on full duty only six months. But that would have to be a matter of legislation; as a matter of fact, if any change were made there would have to be legislation.

Admiral PEOPLES. These estimates are only based on allowing one month retainer pay.

Mr. KELLEY. How did you arrive at 6,790 as being the number of officers?

Admiral PEOPLES. That was the figure furnished to Supplies and Accounts by the Chief of the Bureau of Navigation.

Mr. KELLEY. As being the average number that would probably be in the service, confirmed, during 1922?

Admiral PEOPLES. Yes, sir.

Mr. REED. And approximately one-half of the number in the service on the 1st of October last.

ACTIVE-DUTY PAY UNDER TRAINING.

Mr. KELLEY. This active-duty pay under training, of \$854,105, is based upon the assumption that they will be paid for training in addition to their regular retainer pay?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And if the training is not had then the \$854,105 would not be required to be paid?

Admiral PEOPLES. No, sir; they must be put into service for training in order to earn that money.

Mr. KELLEY. I asked Admiral Washington this question when we were considering this matter before the committee:

Mr. KELLEY. We could disregard the item of active pay of officers. I mean, training, because that training probably will not be much this year, leaving the officers confirmed and the men confirmed as the chief items to be appropriated for?

Admiral WASHINGTON. Yes, sir. There may be one thing which would slightly enlarge that. If we put more or less restrictions on the men coming into the Regular Navy, many of them may go into the fleet reserve. They would be entitled to do it, being honorably discharged men and having served four years or more, and they might go into the fleet reserve, and that would add somewhat to these people who were in the confirmed ratings, officers, and enlisted men. It would not be very great, but it would be something.

If the question of having officers under training should be disregarded, as the admiral agrees might be done, then this item of \$854,105 could be eliminated?

Admiral PEOPLES. For officers; yes, sir.

Mr. KELLEY. Because if they were not called into training this pay would not be necessary.

Admiral PEOPLES. That is right; if those officers are not trained they will not be entitled to their pay.

Mr. KELLEY. Then officers confirmed, \$1,708,211.

Admiral PEOPLES. They are entitled to that pay under the law, as they have been confirmed.

ACTIVE-DUTY PAY OF ENLISTED MEN TRAINING.

Mr. KELLEY. Then active-duty pay of enlisted men training, \$2,461,200, which you mentioned a while ago. Under the same testimony that could come out, could it not?

Admiral PEOPLES. If those men are not to be trained that item could be eliminated; yes, sir.

Mr. KELLEY. That would leave how much for the pay of enlisted men confirmed?

Admiral PEOPLES. The enlisted men confirmed are estimated to be 60,000, at \$4,102,011, and enlisted men not confirmed, 60,000, at \$720,000.

Mr. KELLEY. I will read you a little further testimony with reference to these two classes of expenditures for the reserve force.

Speaking of the reduction in the number of officers to be appropriated for under the head of "Officers confirmed," I asked Admiral Washington this question:

Mr. KELLEY. Is there any process of administration by which they could reduce that number?

Admiral WASHINGTON. Yes, sir; this will all come down. We do not need them at all. We do not want anybody except those who are seafaring people, and they will come down very rapidly. Many of them will not care to reenroll under the circumstances, and many of them we will not reenroll of our own accord.

Mr. KELLEY. We can very nearly disregard, can we not, in making up this pay of the reserve force the men and officers that are not confirmed? The amounts are not large—\$120,000 for the officers and \$720,000 for the men. In a thing of this kind where there is so much uncertainty we can disregard those two elements?

Admiral WASHINGTON. Yes, sir.

So if we follow that testimony we can take out \$120,000 for officers not confirmed and \$720,000 for men not confirmed.

Admiral PEOPLES. Due to the change in the plans of the Chief of the Bureau of Navigation there might be a reduction there of \$840,000 for the two items.

Mr. KELLEY. That is, for the item of officers not confirmed—

Admiral PEOPLES (interposing). Ten thousand officers, at \$120,000, and 60,000 men, at \$720,000, or a total of \$840,000.

Mr. KELLEY. That means that no officers or men will be confirmed in 1922?

Admiral PEOPLES. Not necessarily that.

Mr. REED. All that are not confirmed will be disenrolled.

Mr. KELLEY. It would mean that in administering a large fund of this kind, where there are so many uncertainties, there is apt to

be in any element making up the sum total a very large discrepancy between the actual expenditures and the estimate.

Mr. REED. I do not like the term "large discrepancies."

Mr. KELLEY. But it is. Here are 120,000 men, scattered all over the United States, we will say. Nobody can tell how many of those men will meet all of the requirements of the law as to their training, etc. They might be disenrolled at any time. The further you get away from the war, the less interest they will probably take in it, and the less likely they will be to observe the rules and regulations. Naturally, you would expect every unit, wherever organized, all over the country, to grow smaller and smaller. Now, this sum of money for naval reserves will appear in one item, will it not?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. There is so much uncertainty about how the different elements will work out, that a lump sum of considerable size would probably take care of the actual necessities under each one of these subheads.

Admiral PEOPLES. That item of pay of members of Naval Reserve Force would, under those conditions, amount to \$10,017,000 for pay of officers on active duty; \$1,708,211 for pay of officers confirmed, and \$4,102,011 for enlisted men confirmed.

Mr. KELLEY. Making a total of how much?

Admiral PEOPLES. Making a total of \$6,827,222.

Mr. KELLEY. If that is the sum fixed, it will appear in the bill as one sum, and it can be applied in the administration of the appropriation, as the necessities may require, to these various subheads which you would use in developing that total?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. It does not mean what you said a moment ago; that is, that there would not be anything for this particular purpose or that particular purpose?

Admiral PEOPLES. No, sir; only in so far as the estimates are concerned; that is all.

Mr. KELLEY. But in developing the whole matter, the uncertainties are so great that you figure you can disregard what seem to be minor charges against this fund, and that you probably would find enough money apportioned to these items of a certain character to take care of the indefinite part?

Admiral PEOPLES. Yes, sir; precisely so. Any saving that might be made under one of the items could be used for carrying on the activities under other items, inasmuch as the several subheads are part of the general appropriation.

Mr. KELLEY. As an illustration, you have estimated that there will be 6,790 officers confirmed as the average for the year. Now, that might be 5,000 officers, or the number might be dropped in administration very much below 6,790.

Admiral PEOPLES. Yes, sir; and any money saved there could be used for confirmed enlisted men or other officers.

Mr. KELLEY. So that the fund will be liquid and can be used for the various purposes within the limits of the amount appropriated?

Admiral PEOPLES. Precisely so.

PAYMENT OF \$60 DISCHARGE GRATUITY.

Mr. KELLEY. The next item is for payment of bonus of \$60.

Admiral PEOPLES. Seven thousand seven hundred and fifty men are estimated for at a total cost of \$465,000.

The CHAIRMAN. How do you determine that number?

Admiral PEOPLES. That figure was received from the Chief of the Bureau of Navigation.

Mr. KELLEY. What was the total number of expirations of enlistments for the year?

Admiral PEOPLES. Forty-three thousand one hundred and twenty-three.

Mr. KELLEY. And of that number 35,372 were 2-year enlistments?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That leaves 7,753 as the whole number that will be discharged?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And they will receive the bonus of \$60 each?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. This is not contingent upon reenlistment?

Mr. REED. No, sir. The Bureau of Navigation gives us these figures: Four-year enlistments to expire, 3,676; 4-year extensions, 91; 2-year extensions, 34; 3-year extensions, 11; 4-year extensions, 65; minors, 1,505; miscellaneous, 2,367, making a total of 7,791, whom they claim will be discharged under conditions entitling them to the bonus, and who were in the service prior to November 11, 1918. I think that is the figure that Capt. Enochs used here when he was up here the other day.

PAYMENT OF DEATH GRATUITIES.

Mr. KELLEY. The next item is payment of death gratuities.

Admiral PEOPLES. That amounts to \$200,000.

Mr. REED. That was reauthorized in the last naval act.

Mr. KELLEY. What is this?

Mr. REED. This provides for six months' gratuities to the families of officers and men who die while in the service. It is limited to the regular and temporary Navy, and does not apply to reserves who may be on active duty.

Admiral PEOPLES. It is a reenactment of the old law which was in effect up to four years ago.

Mr. KELLEY. What was the necessity for this legislation if there was legislation before?

Mr. REED. It was suspended during the war, or repealed by the war risk insurance act of October 6, 1917. Then it was reenacted for the Army in December, 1919, and having been reenacted for the Army, we asked for it for the Navy also. It provides a lump sum for the families or dependents of officers and men. The war risk insurance act funds come to them in monthly payments, while this provides funds for clearing up debts that may be pending or for any extraordinary expense that they may be put to at the time.

Mr. KELLEY. This is permanent law?

Mr. REED. Yes, sir.

Mr. KELLEY. Where does it appear as permanent law?

Mr. REED. In the last naval act of June 4, 1920.

Mr. KELLEY. Does it use the word "hereafter"?

Mr. REED. Yes, sir. It is either contained in the act of June 4, 1920, or in the pay increase bill. I know it is permanent law.

Admiral PEOPLES. I thought it was a part of the pay increase bill.

Mr. REED. It appears on page 72 of your draft of the naval appropriation act of June 4, 1920. It is permanent legislation.

REIMBURSEMENT FOR LOSSES OF PROPERTY.

Mr. KELLEY. The next item is reimbursements for losses of property.

Admiral PEOPLES. Seventy-five thousand dollars is estimated for 1922. That provides for losses of property under the act of October 6, 1917.

Mr. KELLEY. What kind of property is referred to here?

Mr. REED. Personal property of officers and men that may be lost in the performance of duty by the sinking of ships or the burning of buildings in which they are quartered.

Mr. KELLEY. This does not cover losses of property in railroad transit?

Mr. REED. No, sir.

Mr. KELLEY. But just in the performance of duty?

Mr. REED. Yes, sir.

Mr. KELLEY. How much did you spend for this purpose this year?

Admiral PEOPLES. The estimated expenditures this year are \$10,000.

Mr. KELLEY. Why do you estimate that it will be so much more next year? In time of peace the losses probably would not be so great. Ten thousand dollars would be enough for this purpose. would it not?

Admiral PEOPLES. I think so; yes, sir.

Mr. KELLEY. What will be your total?

Admiral PEOPLES. That will make the total appropriation for the pay of the Navy \$133,202,263.

Mr. KELLEY. How much would these figures be under the old pay?

Admiral PEOPLES. That is, prior to the passage of the increased pay bill?

Mr. KELLEY. Yes. In other words, how much of this is due to the increase in the pay of men and officers?

Admiral PEOPLES. It will be necessary to reestimate or recalculate the increase.

Mr. KELLEY. Let me put it this way: How much did the pay bill enacted last year increase the pay of officers?

Admiral PEOPLES. The increase in the pay of officers for 1922, if we worked it out according to the number of officers in the service and whose pay is included in this estimate, would amount to \$5,413,680.

Mr. KELLEY. That is as to the officers?

Admiral PEOPLES. Yes, sir.

There is an additional item of \$21,720 for retired officers on active duty.

Mr. KELLEY. That makes the total increase in the pay of officers \$5,435,400?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. The men had their pay increased about 33½ per cent?

Admiral PEOPLES. Approximately one-third.

Mr. REED. It would be approximately one-fourth, plus \$2,294,000 for apprentice seamen.

Mr. KELLEY. It would be in round numbers about \$20,000,000 more.

Mr. REED. About \$20,000,000.

Mr. KELLEY. So that, roughly speaking, the pay bill has increased this bill, not over last year, but over what it would be if the old legislation were in effect, about \$25,000,000?

Mr. REED. Yes, sir; it would be more than \$25,000,000.

Mr. KELLEY. What will be the pay of the Navy this year, including the deficiency?

Admiral PEOPLES. About \$120,876,537 appropriated, plus \$30,691.-673 of supplemental appropriations I am asking for and on which the hearings have been held, making a total of \$151,568.210.

Mr. KELLEY. Then, the pay of the Navy next year in round numbers will be \$18,000,000 less than this year?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. But this bill will carry about \$13,000,000 more than the bill of last year under this item?

Mr. REED. Yes, sir.

PERMANENT LEGISLATION, ETC.

Mr. KELLEY. I will direct your attention to page 69 of the bill, and ask you to run down the various items in the bill to determine whether or not any of the purposes set forth there are temporary legislation.

Admiral PEOPLES. That is, temporary as distinguished from permanent legislation?

Mr. KELLEY. Yes; suppose we start with the first one, or pay and allowances prescribed by law of officers, etc. That is permanent legislation, because it says "prescribed by law." This refers to officers on sea duty and other duties, officers awaiting orders, and officers on the retired list. That is permanent law?

Admiral PEOPLES. Yes, sir; the provision for commutation of quarters is permanent law. Then, there is a provision for hire of quarters for officers serving with troops where there are no public quarters.

Mr. REED. That is not covered by any statute.

Admiral PEOPLES. It is on submarines.

Mr. REED. For submarines it is.

Mr. KELLEY. But not so that the entire language would be in order, perhaps?

Admiral PEOPLES. It would not be inclusive of all conditions. "Pay of enlisted men on the retired list"; they are retired by law. "Extra pay to men reenlisting under honorable discharge"; that is permanent law. "Interest on deposits by men"; that is permanent law. "Pay of petty officers, seamen, landsmen, and apprentice seamen, including men in the Engineers' force and men detailed for duty with the Fish Commission—enlisted men"; they are all authorized by law. "Men in trades schools, and pay of enlisted men of

the Hospital Corps, pay of enlisted men undergoing sentence of court-martial, and as many machinists as the President may from time to time deem necessary to appoint"—

Mr. KELLEY (interposing). What do you think of that?

Mr. REED. That has been carried in the bill right along. I do not know of any permanent law authorizing the appointment of machinists. There is permanent law with regard to warrant officers.

Admiral PEOPLES. That is a hold over from 1898.

"Apprentice seamen under training at training stations or on board training ships, at the pay prescribed by law, pay of Nurse Corps, rent of quarters for members of the Nurse Corps"—

Mr. REED (interposing). That might be covered by the fact that we have to furnish them quarters.

Admiral PEOPLES. Retainer pay and active-service pay of members of the Naval Reserve Force," that is law. They are entitled to quarters. If the Government owns quarters they use them and if they do not they can rent them.

Mr. KELLEY. The next is "payment of \$60 discharge gratuity?"

Admiral PEOPLES. The discharge gratuity is law. The next item is law.

Mr. KELLEY. When was this \$60 discharge gratuity authorized?

Mr. REED. That was authorized by the act of February 24, 1919.

Admiral PEOPLES. "Payment of six months' death gratuity" is law.

Mr. KELLEY. The six months' death gratuity is authorized by law?

Admiral PEOPLES. Yes, sir; "And the money herein specifically appropriated by 'Pay of the Navy' shall be disbursed and accounted for in accordance with existing law as 'Pay of the Navy' and for that purpose shall constitute one fund."

Mr. KELLEY. You do not need that in the bill?

Admiral PEOPLES. That is appropriation law.

Mr. REED. It should remain in the bill.

Admiral PEOPLES. "*Provided*, That retainer pay provided by existing law shall not be paid to any member of the naval reserve force who fails to train as provided by law during the year for which he fails to train." I think that is new. That is appropriation law.

Mr. REED. That is also covered by section 9 at the end of page 130. That should probably stay in and the other should be repealed.

Mr. KELLEY. "That hereafter"—that is permanent law?

Admiral PEOPLES. That is permanent law.

Mr. REED. Mr. Butler wants that modified so that the money would go into the Treasury. If the retainer pay is withheld there is no use of keeping it in the Treasury, but just do not take it out of "Pay of the Navy," and any little bit forfeited could be used.

There is a difference between section 9 and this proviso. The proviso makes it mandatory—that it shall be withheld—and section 9 makes it permissible for the Secretary of the Navy, in his discretion, to withhold it.

Mr. KELLEY. This proviso on page 71 can come out altogether?

Mr. REED. That makes it mandatory to withhold it. Section 9 only makes it permissible for the Secretary to withhold it.

Admiral PEOPLES. I think it is a good proviso.

Mr. KELLEY. You think that we should let it stand?

Admiral PEOPLES. Yes; "that retainer pay provided by existing law shall not be paid to any member of the Naval Reserve force who fails to train as provided by law during the year for which he fails to train."

Mr. KELLEY. On page 130, section 9 provides:

That hereafter the Secretary of the Navy may, in his discretion, withhold **any** part or all of the retainer pay which may be due a member of the Naval Reserve force.

Which one of those provisions is operative?

Mr. REED. If the first one is not repeated in next year's law—

Mr. KELLEY (interposing). The one on page 71 is the law from year to year?

Mr. REED. Last year was the first time that it was in the bill.

Mr. KELLEY. The other one is permanent law?

Mr. REED. Yes, sir. They are both parts of the same act.

Mr. KELLEY. That is all of "Pay of the Navy," is it?

Mr. REED. Yes, sir.

NAVY PROVISIONS.

Mr. KELLEY. The next item is on page 74, "Provisions, Navy." This year you have \$26,000,000 and there will be no deficiency?

Admiral PEOPLES. No, sir.

Mr. KELLEY. But you had quite a large stock on hand?

Admiral PEOPLES. A \$7,000,000 stock on hand.

Mr. KELLEY. Tell us about the stock on hand; that is, how it will be on the 1st of July?

Admiral PEOPLES. It will be necessary to retain about 90 days' supply of provisions on hand over the end of the fiscal year, for the reason that the contracts for the purchase of seasonal vegetables and fruits, such as tinned corn, tinned peas, string beans, tomatoes, Lima beans, and tinned fruits of various kinds are purchased after the season's pack is known in order to remove the speculative feature in purchasing at a time in advance, and also there are considerable stocks of provisions which are in transit by ship for supply to the fleet at various points for consumption. So the provisions are regarded as being on hand and the closest estimate we can make is about a 90 days' supply before the replenishment periods sets in. That does not apply to fresh vegetables and fresh meats which are purchased under monthly and quarterly contracts, because no stocks of those are carried over.

Mr. KELLEY. You used this year to supplement the appropriation how much stock?

Admiral PEOPLES. About \$7,000,000 of stock.

Mr. KELLEY. That practically made your appropriation about \$33,000,000?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. How much can you supplement the appropriation for next year out of your reserve?

Admiral PEOPLES. About \$1,800,000 on the basis of 100,000 men.

Mr. KELLEY. You could reduce your reserve stock \$1,800,000 during the year?

Admiral PEOPLES. Yes, sir.

Mr. REED. We had on hand June 30, last, \$17,000,000 of provisions. That was reduced to \$15,000,000 during the fiscal year ending June 30, 1920, and we expect that it will be down below \$10,000,000 on June 30 next, and we will have to have on hand about \$8,000,000 to carry us through 1923, so about \$1,800,000 is the figure that is safe to figure you can reduce on account of the stock on hand.

Mr. KELLEY. If you reduce from 120,000 on an average to 100,000, that would mean that you could take off one-fifth, roughly, and one-fifth of \$33,000,000 would be \$6,500,000, and that would leave \$26,500,000 for 100,000 men on the basis of the same price as last year, and if you take \$1,800,000 from that as a reduction of stock that will leave a balance?

Admiral PEOPLES. The subsistence of 100,000 enlisted men is the only element that enters into that, roughly.

Mr. KELLEY. I am getting at it roughly, now. Of course, there are some \$24,700,000 that would need to be appropriated in this bill, that is, roughly speaking, now?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. We can go into the detail of the special things for certain classes of officers on shore, and so forth, later.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. How much do you figure commodities will decline?

Admiral PEOPLES. It is very difficult, Mr. Chairman, to make any intelligent estimate 18 months in advance, as would be the period from now until the close of the fiscal year 1922, as to what the cost of commodities was going to be or what the cost of commodities will be under this season's pack, vegetables, meats, and the like. That practically can be determined only by the law of supply and demand, as you know.

Mr. KELLEY. I have here some figures, prepared by the Department of Commerce, which I will run over just a little, so as to give you the drift of prices.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Take the item peas, sifted peas, are those canned?

Admiral PEOPLES. Yes, sir; "sifted peas" is used in the trade and applies to dried peas as well as to canned peas.

Mr. REED. They are put through a sieve so as to get uniform size.

Mr. KELLEY. On January 2, 1920, the wholesale price in New York was \$1.50. What does that mean?

Admiral PEOPLES. Per case.

Mr. KELLEY. Per unit or whatever it was, and on January 17, 1921, it was \$1.15 to \$1.20. That would be about 20 per cent decrease. Tomatoes—I suppose you buy those all at one time?

Admiral PEOPLES. Yes, sir; along about September or October of each year.

Mr. KELLEY. The price on January 2, 1920—

Admiral PEOPLES (interposing). That merely represents, Mr. Chairman, the current price. They might have been sold at a loss.

Mr. KELLEY. Yes. Maryland 2, on January 2, 1920, \$1.20, and on January 17, 1921, \$0.75.

Admiral PEOPLES. That is a tremendous drop.

Mr. KELLEY. Yes; that is a tremendous drop. Maryland, 10, January 2, 1920, \$6.50, and January 17, 1921, \$3.50. California, 2½, the same; \$1.20 each time. California, 10, on January 2, 1920, \$4.25,

and on January 17, 1921 \$3.25. Take wheat No. 2, red, per bushel, January 2, 1920, \$2.45 to \$2.50, and on January 17, 1921, \$2.15 to \$2.19 $\frac{1}{4}$. That would be about 12 $\frac{1}{2}$ per cent; about one-eighth. The price is a good deal lower now. Corn No. 3, yellow, \$1.58 $\frac{1}{4}$ to \$0.93. It is still lower now; that is still on the decline. I suppose you use a good deal of corn?

Admiral PEOPLES. Canned corn.

Mr. KELLEY. Corn meal, you probably use a good deal of that?

Admiral PEOPLES. Probably one-tenth of the quantity of flour.

Mr. KELLEY. Sugar was 14.9 cents per pound on January 2, 1920; it does not give the price for January 17, 1921.

Admiral PEOPLES. It is about 5.5 cents.

Mr. FRENCH. It is to-day about 5.5 cents.

Admiral PEOPLES. If that figure had been made for last September it would have been 26 cents.

Mr. KELLEY. Yes, sir. Did you have a lot of sugar on hand?

Admiral PEOPLES. No; we bought pretty close to the market when the prices were going up so high.

Mr. KELLEY. Lard, January 2, 1920, 23.8 cents, and January 17, 1921, 13.75 cents. That is a big drop in the price of lard?

Admiral PEOPLES. Yes, sir; 30 per cent.

Mr. KELLEY. Almost 40 per cent?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Oleostearine—do you use that?

Admiral PEOPLES. No, sir; the men want real butter.

Mr. KELLEY. Do you use any tallow?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Pork, mess. That must be salt pork, \$47 and \$29. Beef, family, per barrel, that is salt beef?

Admiral PEOPLES. Very little of that is used in the Navy.

Mr. KELLEY. That is higher than it was, \$1, \$26, and \$27. Cattle, live, steers, per 100 pounds, \$19.50 to \$11.50 almost 50 per cent. Texas steers, \$18.85 to \$9.45. 50 per cent. Of course, these are very important parts of your ration?

Admiral PEOPLES. Steers, beef, pork, live meats, and all fresh stuff.

Mr. KELLEY. Cows, \$14 to \$10. Rice, fancy, per pound, 14 cents to 7 cents. You use a good deal of rice?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Coffee, Rio Standard, No. 7, 15 $\frac{1}{2}$ cents to 6 $\frac{1}{2}$ cents.

Admiral PEOPLES. That is an abnormally low figure for coffee.

Mr. KELLEY. I suppose you do not buy that brand?

Admiral PEOPLES. We buy Santos Brazil.

Mr. KELLEY. Rio Standard No. 7, do you know of that coffee?

Admiral PEOPLES. We buy Brazilian Santos coffee, No. 8.

Mr. KELLEY. What is the price?

Admiral PEOPLES. Twelve cents.

Mr. KELLEY. It was 15 $\frac{1}{2}$ cents in January, 1920. Tea is about the same, 42 to 43 cents in 1920 and 43 to 45 cents in 1921. Oolong tea, from 25 to 26 cents in 1920 and from 16 to 17 cents in January, 1921. I do not suppose you use very much tea?

Admiral PEOPLES. About one-tenth the amount of coffee.

Mr. KELLEY. Under dairy products, butter, extra, 92 score, on January 2, 1920, was 70 cents in New York, and on January 17, 1921, 52 cents.

Admiral PEOPLES. That is 25 per cent.

Mr. KELLEY. You probably buy lower grades?

Admiral PEOPLES. The score running from 92 to 94.

Mr. KELLEY. Ninety to ninety-one was 64½ cents and is now 47 cents, and the lower grades were 53 cents and are now 32 cents, about 40 per cent.

Cheese, head, specials, 32½ cents on January 2, 1920, and 24 cents on January 17, 1921, just 25 per cent.

Eggs, fresh gathered, extra, January, 1920, 75 cents, and January, 1921, 50 cents, 33½ per cent off of eggs. Fresh gathered, firsts, are more now than a year ago, 70 to 72 cents and 76 to 77 cents. Fresh gathered, extra, 75 cents to 50 cents. The fresh gathered firsts are higher now than then?

Admiral PEOPLES. They might have been at that particular time in that particular vicinity.

Mr. KELLEY. Yes, sir; these are the wholesale prices in New York.

Sweet potatoes, New Jersey, No. 1 basket, \$2 to \$2.75 in January, 1920, and \$1.50 to \$1.85 in January, 1921. Delaware and Maryland No. 2 per basket are higher now than they were. They were \$1 to \$1.50 in 1920 and \$1.25 to \$1.65 in 1921.

I do not know how far it is profitable to pursue this. You are more familiar with that.

Admiral PEOPLES. Those figures, Mr. Chairman, indicate a comparison of those particular items purchased in January, 1920, and January, 1921, in one locality.

Mr. KELLEY. The farmers all over the country are making the same general statement. They are here asking for legislation, hoping to get some benefit in the way of prices. Of course, that will all be reflected in your prices pretty soon. Of course, if you have a stock on hand—

Admiral PEOPLES (interposing). We have \$7,000,000 of high-priced goods which we are carrying over this year.

Mr. FRENCH. That is carried into this year, but not next year?

Admiral PEOPLES. No, sir.

Mr. KELLEY. It would not be reflected in your prices now, because you are using your stock and you have to handle it at the prices you paid for it.

Admiral PEOPLES. Our figures were the same in the second three months of the present fiscal year, October, November, and December, as they were compared with the first three months of the fiscal year. Others are lower for the second quarter as compared with the first quarter, depending on where the vessel is, because these prices prevail all up and down the Atlantic Coast from Portsmouth, N. H., down to Key West, Fla., and on the western coast of the United States. The cost of the fleet in the Philippines is one thing and the cost of provisions at Honolulu, Hawaii, is another thing.

Mr. KELLEY. Of course you must be five or six months behind the market because of your surplus.

Admiral PEOPLES. Yes; I do not doubt that a bit, sir, except on the fresh stuff which we buy on the market. There we take advantage of every drop, but we must necessarily provide for every increase in price whenever it occurs. The quantities involved are so large that we want to remove from the Navy's purchases every speculative

feature and buy for short periods as we go along, usually from month to month. In that way we are able to take advantage of every season when a particular article or ration component is most free, like seasonal fruits and seasonal vegetables.

RATIONS.

Mr. KELLEY. What was your ration last year?

Admiral PEOPLES. For the fiscal year 1920 the average cost of the ration was 70.55 cents, and for the first three months of 1921 the average cost was 74.54 cents.

Mr. KELLEY. That is, July, August, and September?

Admiral PEOPLES. Of the current fiscal year. The estimate for 1922 is that we will pay somewhere in the neighborhood of 68 cents.

Mr. KELLEY. That would not be a reduction of 5 per cent on your 1920 ration and only about a 10 per cent reduction on the first three months of the present fiscal year—that is, July, August, and September. That does not reflect enough of this decline in prices, and I think it is going on in a very pronounced way. Suppose that this year we fixed it arbitrarily at 60 cents, not that your judgment could fully justify it or our judgment, except that that is the trend of prices. That would be a reduction of about 15 per cent over last year, and we could state in our report that we had based the appropriation on a 60-cent ration, and that we thought that was a fair allowance to make in view of the present decline in the market.

Admiral PEOPLES. Due regard being given to probable further declines, which would make it less than 60 cents, or increases, which would make it more than 60 cents.

Mr. KELLEY. That nobody can fully calculate.

Admiral PEOPLES. It is impossible to tell what the cost of the ration is going to be.

Mr. KELLEY. If we made it 60 cents, you would not think that cut too drastic or one that good judgment would not fairly substantiate, would you?

Admiral PEOPLES. In making up the estimates we did not feel justified at the time in making such a reduction. The Government contracts in the articles of enlistment of these men to give them a certain number of pounds of food each day and, therefore, the Government is compelled to give that food to each enlisted man, regardless of the cost. It might be 60 cents; it might be more or it might be less, and for that reason we must furnish the number of men we have in the Navy with the proper amount of food, and the component parts required, as economically and as cheaply as it possibly can be done with good administration. If there is not sufficient money to comply with that requirement, then a special and separate statute authorizes a deficiency for subsisting the men.

Mr. KELLEY. We want to put into the bill such sums as we believe are necessary, and not more. We do not wish to make a cut which will result in a deficit, and we will not do that as to anything we can foresee at this time. But taking into account the downward trend of farm products, do you not think we would be justified in estimating that 60 cents would probably give the boys as much food and as good quality of food as they are now receiving for 68 cents?

Admiral PEOPLES. The quantity of the food and the quality of the food will not be and can not be changed in any way whatever. The Paymaster of the Navy is responsible for the quality of the food, and he will see to it that the specifications are not lowered in any respect. I am inclined to think that the figures furnished by the Department of Commerce for the month of January do not represent a fair criterion, because I think they indicate reductions that are a little excessive. As everybody knows, business firms everywhere are liquidating. They are selling their stocks in January in order to convert them into money, due to the difficulty of obtaining sufficient funds from the banks to carry on their business. It applies not only to foodstuffs but to all commodities as well. So I think the general average of reductions, if carried over a period month by month, will not aggregate the very tremendous reductions that seem to be indicated on the New York market.

Mr. KELLEY. I think you are right about that, but if they did we could make a reduction of 25 or 50 per cent, because some of these very important articles of food have declined as much as 50 per cent. If we strike a general average and make a reduction of not more than 15 per cent, would not that be fairly within good judgment?

Admiral PEOPLES. One estimate would be just about as good as another; it might be more and it might be less.

Mr. KELLEY. As Paymaster General of the Navy you would not consider that the committee had recklessly made that reduction if we made a reduction of 15 per cent? You would consider that it had been done on sufficient evidence as to the probability of prices, which no one can accurately determine and on which it is your business, as the chief supply officer of the Navy, to keep on the most conservative side?

Admiral PEOPLES. I can not say that the committee is justified, from the data submitted, in arriving at a figure of 60 cents, because at best it is an estimate and is bound to be an estimate. Looking at conditions generally it might go to 60 cents; it might go below or it might not go down to 60 cents, and that fact can only be proven by what the average costs will be during the next year.

Mr. KELLEY. Let us get at it from the standpoint of history. What was your ration in 1916?

Admiral PEOPLES. This is taken from the annual report of the Paymaster General for the fiscal year 1920:

The continued high price of foodstuffs has been reflected in the cost of the Navy ration during the past year, the average being 70.55 cents per man per day, as compared with 55.7 cents for 1919, 48.53 cents for 1918, 43.8 cents for 1917, 37.14 cents for 1916, and 36.56 cent for 1915.

Mr. KELLEY. Having in mind the history of prices all during the war and present prices, 60 cents would not be a very low figure at which to fix the appropriation?

Admiral PEOPLES. No, sir.

Mr. KELLEY. I presume if appropriated for on the basis of 60 cents there would be about as much good judgment behind that figure as any other figure that could be mentioned?

Admiral PEOPLES. I agree with you, sir.

Mr. FRENCH. That same thought would apply to the reduction of the warrant officers' allowance, and also to the midshipmen, the next two items.

Mr. KELLEY. I think that is fixed in the law.

Admiral PEOPLES. That is fixed in the bill; you will find that about half-way down the paragraph.

Mr. KELLEY. But my idea is to change the 68 cents to 60 cents.

Mr. FRENCH. What about the item under heading 8, the subsistence of men on detached duty? Are not hotel rates and restaurant rates falling, and will they not continue to fall? The total there is \$4,105,000, and it would seem that there something could be eliminated.

Mr. REED. That covers not only their subsistence, but their lodging. You will notice that there are only five at \$10 per day, and they are abroad; 200 at \$4 a day, who are on special duty and who are entitled to that allowance. The bulk of them are figured at \$2.50 a day and \$1 a day.

Admiral PEOPLES. Four dollars a day, even now, is hardly a fair allowance, because it does not pay for a room and three meals.

Mr. KELLEY. Let us see whether we can get this into the record by items. The first item is 100,000 men, Regular Navy, and 2,500 marines serving afloat, making 102,500 men at 60 cents per diem, or \$219 per annum—what was that aggregate?

Admiral PEOPLES. \$22,447,500.

Mr. KELLEY. Give the other items.

Admiral PEOPLES. One thousand five hundred and ten warrant officers entitled to rations at 60 cents per diem, or 248.28 per annum, a total of \$374,782.

Mr. KELLEY. Do they get 68 cents?

Admiral PEOPLES. We figured that at 68 cents and it just happened to be the same amount as the other estimate.

Mr. REED. It was put in because we estimated that would be the cost of the ration itself.

Mr. KELLEY. You will have to keep it at 60 cents all the way through instead of 68 cents in a particular place.

Mr. REED. No; we could let it stand at 68 cents if you wanted to allow us to do so.

Mr. KELLEY. It does not appear in the law.

Admiral PEOPLES. No, sir; but, if possible, it should stand at 68 cents.

Mr. KELLEY. Why?

Admiral PEOPLES. Because this is a commuted ration to this class of people—that is, to those who by law are entitled to a ration allowance. It is a commuted ration for officers on sea duty, other than commissioned officers of the line, Medical Supply Corps, etc.; it covers warrant officers.

Mr. KELLEY. It would make trouble in the Navy to allow more for these officers even in the way of commutation.

Admiral PEOPLES. It would not be noticed.

Mr. KELLEY. We would have to write it in the bill. If we made the regular ration 60 cents we would have to explain to the House why we were allowing 68 cents for these officers.

Mr. REED. They subsist themselves, and they do not get things as cheaply.

Admiral PEOPLES. That is true. They have small messes, from 10 to 14 people in the same mess.

Mr. KELLEY. Still, you have always allowed the same; you have never made any difference.

Admiral PEOPLES. They got 40 cents when the cost of the ration was 45 cents. This is an old wording of years and years, and the amounts have varied from year to year. How much was it last year?

Mr. REED. Sixty-eight cents. The commuted ration used to be 38 cents and then it was increased to 40 cents.

Mr. KELLEY. We have increased the salaries of these boys pretty well, and they have every kind of fine treatment. I think we had better stick to the 60 cents. In 1919 they got 50 cents.

Mr. REED. Was not the commuted ration in the hospital 50 cents?

Mr. KELLEY. The ration in the hospital should be more, because they should have a different kind of food. I think we had better make it the same all the way through. Of course, if the ration went above 60 cents they would not get as much as the men, because this is fixed by law, but I do not believe there is a chance of its going above 60 cents.

Admiral PEOPLES. It would make a cut in the income of the individuals, because as this is a commuted ration it is paid to them in money.

Mr. KELLEY. But they have been treated exceptionally well by legislation; we gave them that bonus of \$240; they get commutation of quarters, and a whole lot of things. I think it would be well to provide for them the same amount of food that the enlisted men get, and in view of the fact that they were only getting 50 cents year before last I think this is about as well as they could expect.

Admiral PEOPLES. It will reduce the income of each one of the 1,510 warrant officers in the sum of \$37 a year.

Mr. KELLEY. If a warrant officer does not have to pay it out for food he can stand it.

Admiral PEOPLES. That is about \$3 a month. Now, what are you going to do with the midshipmen?

Mr. KELLEY. That is the same as at West Point.

Admiral PEOPLES. Yes, sir; what has Congress done with the West Pointers?

Mr. KELLEY. I think that is fixed by law permanently. But their allowances are on a different basis, because they have other expenses. They have lots of fresh stuff and the cost is more.

Mr. REED. Yes; they have to pay for mess gear and things of that kind.

Mr. KELLEY. They are given credit for this amount and out of that they are charged for a lot of things that the boys at sea do not have to pay for. I think some of the attendants are paid for, so that in the end it is not any more. I think you had better figure it at 60 cents and the midshipmen at \$1.08.

Admiral PEOPLES. At that rate it will be \$330,690 for item 2. Two thousand five hundred midshipmen entitled to rations at \$1.08 per diem, \$394.20 per annum, \$985,500; 1,300 general court martial prisoners at 30 cents per diem, \$109.50 per annum, \$142,350; 90 nurses on detached duty at \$2.50 per diem, \$912.50 per annum, \$82,125; 624 nurses at hospitals at \$1 per diem, \$365 per annum, \$227,760; difference between \$1 and 60 cents per diem for 1,475,000 sick days in hospital, \$590,000; subsistence of men on detached duty—10 at \$5 per day, \$18,250; 200 at \$4 per day, \$292,000; 15 at \$3 per day,

\$16,425; 1,500 at \$2.50 per day, \$1,368,750; 600 at \$1 per day, \$219,000, a total of 2,325 on detached duty, at a total cost of \$1,914,425; less their subsistence in kind of \$509,175, or a total to be appropriated under this act of \$1,405,250.

Mr. KELLEY. What do you mean by less subsistence in kind?

Mr. REED. They were included in the 100,000 men at 60 cents per day, and we deducted that from the total amount.

Admiral PEOPLES. We give that item a credit of 60 cents.

Mr. KELLEY. How do you figure these 1,475,000 sick days in hospital?

Mr. REED. That is estimated by the Bureau of Medicine and Surgery on the basis of their experience as to the number of men we will have in the service—officers and men.

Mr. KELLEY. For 100,000 men?

Mr. REED. 100,000 men, plus officers, midshipmen, and marine corps.

Mr. KELLEY. Why do you change that allowance in the hospital from 60 cents to \$1?

Admiral PEOPLES. The Surgeon General of the Navy has stated that 68 cents was insufficient to properly subsist the sick in the hospitals; that is, to furnish them with the special character of diet required.

Mr. KELLEY. This would increase the income of the Bureau of Medicine and Surgery by \$590,000?

Admiral PEOPLES. Yes; it would.

Mr. KELLEY. That is quite a considerable increase, is it not?

Admiral PEOPLES. Yes, sir; it would have that effect, but it appears reasonable on the face of it, because—

Mr. KELLEY (interposing). If they did not have the money from some other source it would be reasonable, but they have large funds which they collect from the Navy itself.

Admiral PEOPLES. Not for provisions.

Mr. KELLEY. Yes; they call it the naval hospital fund, out of which they make their repairs to the hospitals and make up this deficiency.

Mr. REED. That fund is in bad shape, financially, now, I understand, and has been, because it has been costing them \$1 for rations to subsist the sick during the past year, and they have only been getting 68 cents.

Mr. KELLEY. They have 20 cents a month from the men and officers and get the proceeds of fines and forfeitures; out of that money they make up this deficiency. They did not ask us when they were here the other day for \$590,000.

Admiral PEOPLES. I think the thing to be considered here is the difference between the 68 cents which they have been getting right along, and taken into consideration in their estimates, and the \$1 which it has been costing them. In other words, it is not a new item.

Mr. KELLEY. It is a new item if we put it in the bill, whereas heretofore they have paid this out of their naval funds.

Admiral PEOPLES. Oh, no.

Mr. KELLEY. If a man is sick in hospital he gets the same allowance as though he were well, 68 cents, from the bill, but of course that does not pay the expense of subsistence in the hospital, because when a man is in hospital he must have delicacies.

Admiral PEOPLES. Special food.

Mr. KELLEY. The difference between the amount that is allowed them and set up to the credit of the hospital and what it costs them is taken out of the naval hospital fund, which is a large sum, \$1,500,-00 or more; it is estimated to be \$3,500,000 but they testified it was probably about \$1,500,000.

Admiral PEOPLES. This requirement has been in the appropriation for years and years.

Mr. KELLEY. There was never any \$1 provision?

Admiral PEOPLES. No, sir; it was at varying rates. It was changed to 68 cents two years ago. During 1920 and 1921 it has been 68 cents, and now they want it increased to \$1.

Mr. KELLEY. That is only an indirect way of increasing their appropriation by \$590,000.

NAVAL HOSPITAL DEFICIT.

Mr. VINING. On June 30, 1920, the Naval Hospital fund showed a deficit of \$88,000.

Mr. KELLEY. Why was that?

Mr. VINING. There was a deficit of that amount. There was nothing in the fund but \$88,000 of unpaid bills were on hand.

Mr. KELLEY. There is over \$1,000,000 in the fund.

Admiral PEOPLES. That is what the receipts amount to each year.

Mr. VINING. The receipts for the year were \$2,396,691.03, and the expenditures amounted to \$3,612,901.66, or about \$1,000,000 more than they received. They have a deficit of \$88,000.

Mr. KELLEY. How will you get them out?

Mr. VINING. By giving them an extra 32 cents.

Mr. KELLEY. Have their bills been paid?

Mr. VINING. The bills have been paid, that is, the contractors have been paid.

Admiral PEOPLES. \$88,000 is not much of a deficit. That is a Treasury deficit. I would say on that item that I would ask the Surgeon General of the Navy about it.

Mr. KELLEY. It all depends upon the naval hospital fund, or the size of the naval hospital fund and the amount of revenue they get from that source, whether it is sufficient to carry them, or not? If it is sufficient, then this is not necessary. This is an indirect way of increasing the income of the Bureau of Medicine and Surgery by \$590,000. We will look into that. Probably the better way to do it would be to appropriate, if we decide they require further sums in the Bureau of Medicine and Surgery, under the proper headings. If we leave the \$590,000 in there, that makes the total sum for provisions and commuted rations how much?

Admiral PEOPLES. \$26,811,175 less \$1,800,000 for the value of stocks of provisions on hand, making a total of \$25,011,175.

Mr. KELLEY. And if we take out the \$590,000 due to the difference between the \$1 per day and 68 cents per day for the Bureau of Medicine and Surgery—

Admiral PEOPLES (interposing). That will make the total just so much less, or \$24,124,175. According to the estimate at 68 cents, the total would be \$27,848,267.

Mr. KELLEY. Will you inquire into the situation regarding the naval hospital fund?

Admiral PEOPLES. Yes, sir; I will do so. Do you mean with particular reference to the general status of the fund?

Mr. KELLEY. Yes; with reference to the general status of it, and let us know what shape it is in. You can tell us what would happen if it were not in any way improved except from the normal source.

Admiral PEOPLES. I will do so.

(The matter referred to above follows:)

STATEMENT OF CONDITION OF NAVAL HOSPITAL FUND AS OF DEC. 31, 1920.

Balance in Treasury Dec. 31, 1920-----	\$45,330.47
Credits to fund not settled by auditor-----	1,873,591.69
Estimated credits to fund which have not yet been received and forwarded to the auditor-----	675,000.00
	<hr/>
	2,593,922.16
Payments made from fund not yet settled by the auditor-----	\$2,961,026.85
Contracts and other obligations outstanding (unpaid) Dec. 31, 1920-----	650,000.00
	<hr/>
	3,611,026.85
Overobligated-----	1,017,104.69

The fund receives numerous credits from fines and forfeitures. It is estimated that the amount which will be credited to the fund from this source will be \$2,593,000. Subtracting from this amount the \$1,017,104.69 shown above leaves a difference of about \$1,575,000, which represents the value of this fund as of December 31, 1920, if all receipts and disbursements were adjusted by the auditor.

The receipts from the 20-cents-a-month checkage from officers and men in the Navy and Marine Corps during the fiscal year 1922 will approximate \$312,000.

During the fiscal year 1920 the Naval Hospital fund was supplemented by the appropriation "Care of hospital patients," amounting to \$1,539,000, whereas the appropriation for the current year is only \$100,000.

NAVAL PENSION FUND.

Mr. KELLEY. I wish you would put in the record a short statement giving the situation as to the naval pension fund.

Admiral PEOPLES. I will do so.

Mr. KELLEY. Is that fund augmented from year to year by any interest that is not used to maintain the home in Philadelphia?

Mr. REED. The naval pension fund is \$420,000 interest received every year on the fund of \$14,000,000 which was accumulated principally during and right after the Civil War. That \$420,000 is the interest on this fund. It is turned over to the Secretary of the Navy, who is the trustee, and to it is charged the amount that is appropriated for the Naval Home. The balance is transferred to the Interior Department on the books of the Treasury and is used, so far as it will go, for the payment of naval pensions. Any unexpended balance under the naval home appropriation that is not used after the lapse of two years is covered back to the credit of the interest account and the following year is transferred to the Interior Department.

Mr. KELLEY. That is probably all the statement we will need on that. Is there anything else you want to say to the committee about provisions of the Navy?

Admiral PEOPLES. I think not, Mr. Chairman.

Mr. KELLEY. Thirty cents per day is the amount you figure for prisoners. Is that permanent law, or is it carried from year to year?

Mr. REED. That is carried from year to year.

Mr. KELLEY. What about the last clause there for the purchase of United States Army emergency rations as required?

Admiral PEOPLES. That has been carried in the bill for the last 10 years.

Mr. KELLEY. That is carried from year to year?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Do you use that power any?

Admiral PEOPLES. Yes, sir; each ship is given an allowance of a certain number of emergency rations—that is, the condensed emergency rations for the purposes of abandoned ships, or provisions that can be carried in boats in case it is necessary for the crew to abandon the ship at sea. For the last several years the item charged has been very small.

Mr. KELLEY. What about the language, "To be available until the close of the fiscal year ending June 30, 1923?"

Admiral PEOPLES. That is the usual provision or proviso that has been inserted in this appropriation for 20 years.

Mr. REED. The reason for this is that we purchased in April, May, and June butter and some other things that were not to be used until the following year; but we were then buying out of one year's appropriation things for use in another year, which was contrary to all of the rules of the accounting officers and of the law. Therefore, we had the appropriation made available for two years so as to do away with any doubts as to the legality of that practice. For instance, in April, May, and June we buy and pay for practically all of our butter, which is used during the following fiscal year.

Mr. KELLEY. Then late in the fall you buy a quantity of canned goods?

Mr. REED. Yes, sir; and that supply will run us for three months into the year following. Therefore, we took into consideration the overlapping balances in preparing the estimates for the following year and of the stocks of provisions that we may have on hand.

MAINTENANCE, BUREAU OF SUPPLIES AND ACCOUNTS.

Mr. KELLEY. The next item is "Maintenance, Bureau of Supplies and Accounts."

Admiral PEOPLES. That appropriation, Mr. Chairman, is a general-service appropriation, as indicated by the title. It is well to point out right here that all of the business of the Navy Department through our centralized system goes through the Bureau of Supplies and Accounts. We have the appropriations which are estimated for pay, subsistence, freight, maintenance, fuel, and transportation, and there will be no legislation necessary with respect to the Navy supply account, which, of course, has been covered as a separate matter. Under the Navy, with this centralized system under the supply department, this supply department is at the service of every bureau of the Navy Department, and it must necessarily provide

these funds for maintenance. The appropriations for freight, pay, and subsistence are service appropriations. The number of men authorized by law must be fed, clothed, and transferred, the ships must be repaired and kept in commission, and this particular appropriation here is the appropriation which covers the handling of the business and the activities in and for the other bureaus and of the department.

That is to say, all of the stores and all of the materials which are drawn from stores by the other bureaus are handled through and under this appropriation and are accounted for under this appropriation. The mechanics and laborers that are appropriated for and employed by other bureaus are paid by disbursing officers who are maintained out of this appropriation. The appropriation for 1921 was \$10,500,000; the estimated expenditures for 1921 are \$12,000,000; there is a supplemental estimate, or deficiency estimate, pending at the present time of \$1,500,000, and that deficiency was authorized legally in accordance with law; the original estimate for 1922 was \$14,000,000, and the revised estimate for 1922 is \$12,000,000. The estimates submitted by the various yards and stations of the amounts which would be required under the appropriation, "Maintenance, Supplies and Accounts," for the fiscal year 1922 totaled \$14,891,000. These estimates were submitted at a time when the work in navy yards was in a chaotic condition, due to the compulsory reduction made in yard allotments beginning July 1, 1920, and after careful consideration of the data submitted, Supplies and Accounts decided that the work could properly be handled with an appropriation of \$14,000,000.

As a result of further consideration of conditions affecting the naval establishment on shore, and having in mind the probable appropriations for the Navy's support during 1922, it is now estimated that the sum of \$12,000,000 will be required under the appropriation, "Maintenance, Supplies, and Accounts," with an authorization for the expenditure of \$5,500,000 for chemists, clerical, messenger, and inspection force, giving the sum of \$1,000,000 per month for expenditure during 1922. This amount is slightly less than the rate of expenditure at the present time. The reduction in appropriations for the Naval Establishment will necessitate the rendering of more prompt reports to and by us, covering expenditures under the various naval appropriations, so that sufficient force must be provided to permit the paper work involving appropriation charges to be kept up to date at all times, otherwise there will be great danger of incurring deficiencies, due to lack of correct information as to past expenditures. The amounts required are as follows: For classified employees, \$5,500,000; for stockmen, storemen, and store laborers, \$1,850,000; for miscellaneous labor, \$2,450,000; for issue to ships, issues for use in miscellaneous, \$2,200,000, making a total of \$12,000,000. We have prepared in greatest detail, by stations, a statement showing exactly where all this money goes. The reduction in the number of enlisted men will possibly require the placing of certain vessels out of commission, with the result that their stores and equipage will be turned into the supply office, and there will be additional cost incident to their care, custody, and disposition. This being a service appropriation, real economy will not be effected by reducing the amount available below a point where proper service can not be rendered.

Mr. KELLEY. Before we take up the estimate in detail, let us see if we have a grasp of what this is all about: This is the fund out of which all of the bookkeeping of the Navy is paid, is it not?

Admiral PEOPLES. That is one item.

Mr. REED. Except in the department proper.

Mr. KELLEY. They all say that they do not keep books, except here at Washington. For instance, you have a department of supplies and accounts at all of the larger stations.

Admiral PEOPLES. At every navy yard and station.

Mr. KELLEY. No matter how small?

Admiral PEOPLES. That is true.

Mr. KELLEY. And you have an accounting officer on board every ship?

Admiral PEOPLES. Yes, sir; a supply officer.

Mr. KELLEY. You have a supply officer on board every ship?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. In the office on board ship, are there any civilians?

Admiral PEOPLES. No, sir.

Mr. KELLEY. So that does not cost you anything out of this fund?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Then, so far as clerical help is concerned, it is that part of your force that is employed in navy yards and stations throughout the country?

Admiral PEOPLES. Yes, sir.

EMPLOYEES.

(See p. 862.)

Mr. KELLEY. How many employees are under your department altogether outside of Washington?

Admiral PEOPLES. While Mr. Reed is looking up that, let me say this: Just imagine at every navy yard one central storehouse like Sears & Roebuck, where there are a number of customers like Construction and Repair, Engineering, Ordnance, and Navigation, every one of them drawing supplies. Every bureau drawing supplies must go to that storehouse to get its supplies. They can not get them in any other way. They can not go out on the market and buy them, but they must go through that storehouse and get them. We have in these general storehouses more than 60,000 different items, covering all the supplies and equipage necessary for maintaining a ship or a fleet in condition, and all of them must obtain their supplies from that storehouse. All these supplies are received there, inspected, kept, and accounted for there.

In addition, there is the accounting department at the navy yards with reference to the force of people who keep track of the cost of the work done on ships and at the plants and expenditures under various appropriations, keep the time of every mechanic and laborer and prepare the payrolls of the entire civilian force employed at the yards. Eight or nine thousand men at the New York Navy Yard, 7,000 men at the Washington Navy Yard, 7,000 men at the Norfolk Navy Yard, a total of 62,000 men are handled; their time is handled, each man's time is accounted for and charged against a specific job order through the accounting department. Then, in addition, there is the disburs-

ing department which, upon receipt of the pay roll, pays the 62,000 mechanics and laborers. In other words, there are three centralized accounting, supplying, and disbursing departments at each navy yard and station, which handles the business of the navy yard, the navy yard in turn having representatives of the various bureaus in Washington. That is where the \$280,000,000 of material is kept, the \$60,000,000 worth of ordnance is kept, the \$60,000,000 of clothing is kept, provisions, etc., aggregating somewhere in the neighborhood of over a billion dollars; it is all kept, issued, shipped, accounted for, and surveys of sales are handled through this centralized system of supplying, accounting, and disbursing.

Mr. KELLEY. It takes how many people to do that?

Admiral PEOPLES. The clerical group everywhere at all the navy yards and stations was 3,638 on the 1st of December, 1920.

Mr. KELLEY. Does that include everybody on the classified list under you office except the people in the office here in Washington?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Could you give us a little detail of how it is divided; not too much detail, but the chief items?

Admiral PEOPLES. Talking offhand, I know that in the accounting department there are about 12 cost clerks in each of the larger yards to each 1,000 person on the yard rolls.

Mr. KELLEY. So, if you have administered this with economy, so far as the employment of labor is concerned, this will cost about \$5,500,000?

Admiral PEOPLES. There is also included in that 39 chemists.

Mr. KELLEY. Please put in the record, if you will, not long a classification, but one which will be in a form to appeal to the eye.

Admiral PEOPLES. Yes; we can do that.

Employees of classified service under appropriation, "Maintenance, supplies, and accounts," at principal yards and stations, Dec. 1, 1920.

	Accounting department.	Supply department.	Disbursing department.	Miscellaneous pay department.	Total.
Portsmouth.....	48	68	9	6	131
Boston.....	72	110	18	.....	200
New York.....	137	210	31	.....	378
Philadelphia.....	95	213	25	.....	333
Washington.....	108	96	20	.....	224
Norfolk.....	90	155	21	10	276
Charleston.....	31	40	8	.....	79
New Orleans.....	24	24	6	.....	54
Mare Island.....	96	118	14	8	236
Puget Sound.....	60	92	12	.....	164
Newport, R. I.....	.....	35	4	.....	39
Navy supply depot.....	37	280	18	20	335
Aircraft factory.....	24	74	.....	.....	98
Total.....	822	1,495	186	44	2,547
Miscellaneous smaller activities.....	.....	.....	.....	.....	1,111
Grand total.....	.....	.....	.....	.....	3,658

Mr. KELLEY. What will you do this year about these clerks? You have a limitation of \$3,500,000?

Admiral PEOPLES. Yes, sir. On the 1st of July the sum was cut right down to the one-twelfth basis in order to keep within that limitation, and orders were sent out accordingly and discharges were actually made cutting the force down to that sum, so the separated expenditures would not exceed that sum for the year. On the 26th of August, practically two months after the beginning of the fiscal year, every chief of bureau in the Navy Department went to the Secretary of the Navy and registered a complaint to the effect that the reduction in the force had been so great that they were not receiving the reports from the yards as to the expenditures under their appropriations, and that therefore the yards were exceeding the allotments made by the chiefs of bureau concerned and that deficiencies were going to be incurred; that they could not be held responsible for the condition. The Secretary called a council meeting and went into the matter very fully, and they all said the work had to be kept up to date or otherwise these conditions would result.

The matter was later on further investigated by sending a special commission of officials from the bureau—Mr. Reed, Mr. Vining, and Mr. Browning—who went to every navy yard, with a view to trying to keep within the amount of the appropriation. It was physically impossible to do so. The Secretary then, under the act of 1906—the matter was reported to him in writing in order that full responsibility could be determined in case a crash came; and it was coming—the Secretary, in view of the situation and the recommendation of the bureau chiefs of the department, who must get their service out of the money which must be employed under this appropriation, in writing authorized a deficiency under this limitation of \$3,500,000.

Mr. KELLEY. You will have a deficiency of how much?

Mr. REED. We are asking for an increased limitation of \$1,750,000 and an additional appropriation of \$1,500,000.

Admiral PEOPLES. It was not clearly understood when the cuts were made under that limitation in 1921 that these forces had been so largely augmented out of the reserves, and when the reserves were cut off the reductions were too great. Under this appropriation, "Maintenance, Supplies and Accounts," the reduction was 67 per cent; under Construction and Repair, 25 per cent; Ordnance, 37 per cent; Engineering, 11 per cent; and under Yards and Docks, I have forgotten their figure—the reductions made here were out of all proportion to the reduction made under the limitation for classified employees under the other bureaus. That caused the situation which I have just described to you.

Mr. KELLEY. Do you divide your employees with reference to whether their work is made necessary by one bureau or another? For instance, do you have a certain number assigned to Yards and Docks?

Admiral PEOPLES. No, sir.

Mr. KELLEY. The man who has charge of a storehouse, he has a force of people with him and he sells that stuff to any bureau that wants it?

Admiral PEOPLES. Yes, sir. If we maintained that system and furnished the data that the other bureaus and other yards and de-

partments wanted, it would take four times the number of people to do the work.

Mr. KELLEY. How much do you expect to reduce this force of 3,638 the next year?

Admiral PEOPLES. That is the minimum.

Mr. KELLEY. How many million dollars of stock did you sell?

Admiral PEOPLES. That was the number on December 1, 1920, and no reduction will occur there.

Mr. KELLEY. This is the force that handles all the stock in the naval supply account?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. What was the value of the naval supply account in 1916?

Admiral PEOPLES. About \$50,000,000.

Mr. KELLEY. How many employees did you have to handle that \$50,000,000 supply?

Admiral PEOPLES. I can explain that better this way: They handle not only the stores and naval supply account, but they handle all the ordnance stores which are kept in the central storehouse, all the C. and R. stores under the proper purchasing account, and all the clothing, etc., the total value of the material running into a billion of dollars.

Mr. KELLEY. Did they not keep track of everything in 1916?

Admiral PEOPLES. In those days the total was about \$220,000,000. The value of the stores has increased over five times.

Mr. KELLEY. How many times have the clerks increased?

Admiral PEOPLES. We have, in addition, the cost inspection force, the inspection force employed at the shipbuilding plants, which we did not have in 1916, on all of the cost-plus contracts for battleships and battle cruisers. That force is estimated to cost alone \$800,000, which was not a charge in 1916—we did not have it.

Mr. KELLEY. That will not run into very much, because two of the battle cruisers are being built at the navy yards?

Admiral PEOPLES. Yes; the same amount of work is required whether done in the navy yard or in a shipbuilding plant.

Mr. KELLEY. You have to keep track of the cost?

Admiral PEOPLES. Absolutely. There is no other way to know how much the cost of the ship is going to be. If a limitation is fixed, as it is, the bill for repairs to a certain ship—

Mr. KELLEY (interposing). You had to do that before?

Admiral PEOPLES. That is within the navy yards?

Mr. KELLEY. Yes, sir.

Admiral PEOPLES. In the navy yards, but not at the private shipbuilding plants. That force is estimated to cost \$800,000.

Mr. REED. We had 599 clerks in 1916. We were not paying all the expenses of the yard departments in 1916. In 1917 the entire charge was transferred to us, which added just about \$260,000.

Admiral PEOPLES. The other bureaus had been paying the expense for running the centralized accounting department from 1910 up to the fiscal year 1916.

Mr. KELLEY. Why should not the cost of keeping track of the yards or building a new ship be charged to the ship?

Admiral PEOPLES. We wanted to do that to avoid a part of the deficiency. It was held by the legal officers that it could not be done, but if it is authorized by law it could be done.

Mr. KELLEY. That is a proper and legitimate charge?

Admiral PEOPLES. Yes, sir; perfectly so.

Mr. REED. At the same time the act of March 30, 1907, provides that you can only pay clerical employees out of a lump-sum appropriation when specifically authorized in the appropriation.

Mr. FRENCH. In connection with the question I asked as to expenditures in navy yards that were not usual to the construction of a ship but which were said to be carried in red ink, to enable the department to tell when a ship had been completed, what the total cost of the ship was?

Admiral PEOPLES. That is true.

Mr. FRENCH. Are the expenditures that would be properly chargeable to the construction of a ship kept in some way so that when the ship is constructed it shows what the cost of the ship has been?

Admiral PEOPLES. Yes, sir. The actual amount spent for cost accounting, for example, in connection with the expenditures on a ship, goes into the actual book cost of the ship so we know how much the ship will cost. In so far as the appropriation is concerned the pay of those cost accountants must come out of "maintenance, Supplies and Accounts, instead of the appropriation "Increase of the Navy." The books represent the total cost, but so far as the appropriation goes it comes out of the general appropriation.

Mr. FRENCH. Sometime ago I saw in a magazine a statement touching the cost of two ships that had been constructed some years ago.

Admiral PEOPLES. The *Florida* and the *Utah*.

Mr. FRENCH. Twin ships, one at a private yard and the other at a Government yard, and the contrast was unfavorable to the Government.

Admiral PEOPLES. It was.

Mr. FRENCH. To the extent of \$300,000, as I recall?

Admiral PEOPLES. More than that.

Mr. FRENCH. Probably more than that; I am speaking from memory. Would it have been even more unfavorable if certain red ink charges could have been added, or had they been added?

Admiral PEOPLES. At that time these conditions did not reply. I know the illustration you have in mind. The *Utah*, built by the New York Shipbuilding Co. at Camden, N. J., and the *Florida*, built at the New York Navy Yard. It so happened that the *Utah* cost under the contract \$3,600,000. That was for the hull and machinery, and exclusive of the battery. The *Florida* cost, built in the New York Navy Yard, say, \$6,500,000, \$3,000,000 more. Many, many questions have been asked as to the reason for it. The only explanation that has ever been able to be given was that the New York Shipbuilding Co. took the contract for the *Utah* at a figure without any profit whatever in order to maintain the then existing organization.

The ship being built in 1910 and 1911, she was taken on what we call a fixed-price contract, where the cost of inspection, in so far as costs are concerned, was not involved. The Government did not pay anything for that, they simply paid the contract price for the ship, but within recent years, under the shipbuilding program

for the 10 battleships and 6 battle cruisers, they were so large that none of the shipbuilding plants would take them on a fixed-price contract, but only on a cost-plus contract, which necessitated the Government determining the actual items of cost and charge that went into the contractor's bill. This cost, inspection force, of \$800,000 which we have is used in determining the accuracy of a contractor's bills and the charges under his contract." It is an incident to the cost-plus form of contract.

Mr. KELLEY. I suppose, when we have a ship being built in one of the navy yards, you have a force of competent people there inspecting the work as it goes along to determine the cost?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. When you get all through what difference does it make?

Admiral PEOPLES. Every bureau must know out of the \$100,000,000 that is appropriated under "Increase of the Navy" how much goes to, first, "Engineering," how much to "Construction and repair," and how much to "Ordnance." The Construction and Repair man must know how much of that money he can allot to each one of the objects that are to carry on the work, how much for each one of the battleships, how much he can allot to this particular yard. It is not allotted in a lump sum, but so much per month, dependent on the progress of the work. The Chief of the Bureau of Construction and Repair must know out of his allotments for the month how much has been expended on a particular job in order that he can control the allotment for the next month. It is absolutely necessary. Otherwise the thing would run loose, Mr. Chairman.

Mr. KELLEY. In other words, as soon as they start one of the battle cruisers at the Philadelphia Navy Yard the question of partial payments to the contractors for material will begin to come up, will it?

Admiral PEOPLES. If the ship is being built at the navy yard.

Mr. KELLEY. Yes. Who buys the material for the ship?

Admiral PEOPLES. Supplies and Accounts, because it is a Government purchase.

Mr. KELLEY. That is what I mean—a Government purchase.

Admiral PEOPLES. Then that material goes through the supply department like any other material.

Mr. KELLEY. And you furnish it to the different bureaus constructing the ship?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And you keep track of the cost just as though it were a private concern?

Admiral PEOPLES. Yes, sir; absolutely. We allocate the charge against a particular ship.

Mr. KELLEY. If you did not do that, if you had two ships being built in the same yard, they would use all of the material on one ship!

Admiral PEOPLES. They would not know where they were; the sky would be the limit, and the thing would run away with itself. Congress stipulates that the expenditures must be kept within a certain amount of money.

Mr. KELLEY. When that money is all gone and the ship is not finished what is the navy yard going to do?

Admiral PEOPLES. They have to shut up shop.

Mr. KELLEY. No; that is not the way they do. They just come back here and say, "We have a ship at Philadelphia about three-quarters finished and we have to have the limit of cost increased."

Admiral PEOPLES. Congress would ask, "Where has the money gone?" and nobody could explain it. Construction and Repair could not say how much they had spent, neither could Engineering nor Ordnance. The thing would just run away with itself.

Mr. KELLEY. There is just as much bookkeeping and cost accounting when the Government builds a ship as when a private person does, and in case of a private corporation assuming the contract, the Government would not have to bother with it at all?

Admiral PEOPLES. No, sir. Then, if it is a fixed-price contract, it is immaterial to the Government as to how much the ship costs the contractor.

Mr. KELLEY. Have you canvassed thoroughly the needs for cost accounting, with reference to these ships being built in the navy yards, to see if you could not make some reduction?

Admiral PEOPLES. Absolutely; and it has been cut down to the very limit.

Mr. KELLEY. How many times as many classified employees, clerks, have you as you had in 1916?

Admiral PEOPLES. We have six times as many.

Mr. KELLEY. And you figure that you have six times as much property to look after?

Admiral PEOPLES. Yes, sir; six times the amount of work we had then.

Mr. KELLEY. That is, the classified labor?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. What other labor?

Admiral PEOPLES. Thirty-nine chemists.

Mr. KELLEY. I thought they were classified?

Admiral PEOPLES. Yes, sir; and there is a total of about 1,500 stockmen, storemen, and store laborers.

Mr. KELLEY. Who fixes their pay?

Admiral PEOPLES. Their pay is fixed by the Secretary of the Navy.

Mr. KELLEY. The Secretary of the Navy or the wage board?

Admiral PEOPLES. The last wage board, I think, took cognizance of it. Those are the men who actually do the physical handling of the stores themselves.

Mr. KELLEY. This unclassified list of stockmen, storemen, and store laborers receive the average pay of the neighborhood where they are working, do they not?

Mr. REED. Their pay has been based on the pay of the mechanics at the navy yards.

Admiral PEOPLES. In the last price adjustment the pay was equalized for the first time.

Mr. REED. It had never been done before. Presumably, the wage adjustment for the mechanical force will be reflected in the wage adjustment for these people.

Mr. KELLEY. That is, the wages in the locality, as provided by law, will be reflected in the wages of these people?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. These adjustments are periodic and can be fixed at any time?

Admiral PEOPLES. Yes, sir; the law requires that they shall be adjusted at least once a year.

Mr. KELLEY. They have not been adjusted very recently?

Mr. REED. The 16th of September, 1920, was the last adjustment.

Mr. KELLEY. There is no limitation on further adjustments?

Mr. REED. No, sir.

Admiral PEOPLES. No, sir.

Mr. KELLEY. What is the trend of wages in these various yards and stations?

Admiral PEOPLES. I think it is rather an upward trend.

Mr. KELLEY. I mean right now. Is there not a large amount of unemployment at all of these places? You do not have any trouble in getting stockmen or storemen or store laborers?

Admiral PEOPLES. We have had a good deal of difficulty.

Mr. KELLEY. Yes; in the past, but I mean right now?

Admiral PEOPLES. Vacancies exist right now. It takes men with technical knowledge to handle that character of stores—especially good men. As to the general run of them, there is not much difficulty among the storeman class. There is difficulty in the stockman class.

Mr. KELLEY. What would you reasonably expect as to the wages for this class of employees during the next few months in the way of adjustments, inasmuch as the law requires that the wage board shall fix the going wage of the laborer? I know if it were a mere question of political fixing of wages, by a public officer, they might not be in any great hurry to do it if there was a downward trend, but where the law requires a board to sit and ascertain the going wage in any neighborhood and then fix the wages of the Government employees at the same price—what would you expect to find in any of these places where you have employees of this character?

Admiral PEOPLES. I should think, if there is a reduction in the wages paid to similar classes of men in the locality, that the wage board would adjust the wages paid within the navy yard accordingly.

Mr. KELLEY. Proportionately?

Admiral PEOPLES. Proportionately.

Mr. KELLEY. Judging from your observation of private industry, where there is such a large amount of unemployment as you know to exist in the United States, is there not a very downward tendency?

Admiral PEOPLES. It all depends upon the law of supply and demand.

Mr. KELLEY. That is it. Where there are so many people out of work, so many people looking for jobs, the wage scale would have a downward tendency?

Admiral PEOPLES. I expect so; yes, sir.

Mr. KELLEY. What sort of labor is included in the \$2,450,000?

Admiral PEOPLES. That is the ordinary class of common labor.

Mr. KELLEY. That would be the first sort of labor to be hit by any reduction.

Admiral PEOPLES. Yes. It comes and goes; it is man power.

Mr. KELLEY. If there should be a great many men out of work in any neighborhood this item would undoubtedly decline.

Admiral PEOPLES. They would all flock to the Navy Yard board of employment and register, and then they would be taken on for a few days and then discharged, depending on the character and volume of the business being handled at the particular time.

Mr. KELLEY. Any great amount of unemployment throughout the country would probably affect this item in a very marked way; that is, this casual labor.

Admiral PEOPLES. If there is a general decline in the labor market it would be reflected in this \$2,000,000.

Mr. KELLEY. Take a city like New York; I understand there are a great many thousand people out of work, and in a city like Detroit pretty nearly everybody was out of employment for a while, as that is a great automobile city, and that is an industry which has been hit harder than any other.

Admiral PEOPLES. But we must pay them the rate of wages established by the board of wage adjustment; we have no control over that.

Mr. KELLEY. You fixed this at the rate established by the wage board at the present time?

Admiral PEOPLES. That is the best we could possibly do.

Mr. KELLEY. If the rate goes down these labor items will go down with the readjustment, whatever it is?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And one person well informed knows as much about it as another person equally well informed?

Admiral PEOPLES. Yes.

MATERIAL FOR ISSUE TO SHIPS AND MISCELLANEOUS.

Mr. KELLEY. The next item, I imagine, is "Material for issue to ships and for miscellaneous, \$2,200,000." That is material?

Admiral PEOPLES. Yes, sir. Every ship of the Navy is given an allowance, which has been reduced as low as possible, and which allowance can not be exceeded except by special authority in each particular case. That allowance covers under this appropriation articles for mess-room equipment and supplies in the way of soap, cleaning gear, cleaning material for use in galleys; the mess gear itself; athletic outfits; removal of garbage and ashes; adding machines, typewriters, etc.

Mr. KELLEY. Have you a great surplus of stock on hand?

Admiral PEOPLES. There do not happen to be many stocks of the war supplies on hand. For instance, take soap and cleaning materials, all of those articles have been sold; the excess stocks have been sold and the money turned in already. There is some little mess-room equipment and mess gear still on hand of the war stock, how much I do not know; but any reduction in price could apply to those items. There are no athletic outfits on hand, and it would not apply to the removal of garbage and ashes.

Mr. KELLEY. Except as labor enters into it, there would be a reduction there?

Admiral PEOPLES. Yes. This item covers barge hire, lighter hire, etc., when it is necessary to contract for barges for the removal of garbage and ashes.

Mr. KELLEY. All of that would come down, because no doubt you paid more for that kind of service during the war and since.

Admiral PEOPLES. In all the navy-yard ports we have our own lighters, but these charges apply when the fleet is abroad, when it is necessary to contract with somebody on shore in a foreign port.

Mr. KELLEY. Out of this list aggregating \$12,000,000 the fixed item is \$5,500,000, and you feel certain that can not be reduced?

Admiral PEOPLES. That is vital.

Mr. KELLEY. The other three items can be reduced in proportion as conditions in the country force materials and wages down?

Admiral PEOPLES. Yes, sir; they will have to stand their proportionate reductions.

Mr. KELLEY. A 15 per cent reduction would make about \$1,000,000, would it not?

Admiral PEOPLES. It would; but the appropriation could not stand it; it has been cut to the very bone.

Mr. REED. We have taken off \$2,000,000 from our original estimate.

Admiral PEOPLES. We did that voluntarily.

Mr. KELLEY. Are there any charges of any kind for handling stores under your department that are borne out of any other fund than this that you want to provide here?

Admiral PEOPLES. The appropriation, "Provisions of the Navy," carries with it the necessary labor for handling the actual provisions, but nothing else.

Mr. KELLEY. If a man were required to go to the station with a truck, get freight and bring it to your storehouse—suppose it were beef, potatoes, or anything else—out of what fund would that be paid?

Admiral PEOPLES. That would be paid out of the appropriation, "Provisions, Navy," but only in handling provisions; nothing else.

Mr. KELLEY. That must be a pretty big item.

Admiral PEOPLES. About \$600,000; there are \$25,000,000 worth of provisions to handle.

Mr. KELLEY. This, then, is really your dead stock, outside of food?

Admiral PEOPLES. It is active stock.

Mr. KELLEY. I did not mean dead in the sense of not being used, but it is not food.

Admiral PEOPLES. It is everything but food.

Mr. KELLEY. How about the men who carry all sorts of other freight from stations to warehouses?

Admiral PEOPLES. That would come under the appropriation, "Freight"—for handling the freight itself.

Mr. KELLEY. The man who drives the truck and the men who handle the freight are paid for under "Freight"?

Admiral PEOPLES. Yes, sir. This common labor is the physical labor used in handling stores in and about the storehouses; packing them and getting them ready for shipment, and all that sort of thing; unloading freight cars; handling materials in and around the yards, etc.

Mr. KELLEY I notice this note at the bottom of page 77:

The naval act for 1921 exempted from this limitation the pay of storemen and store laborers.

Does that mean they were to be paid out of some other fund?

Mr. REED. That gave us the benefit of about \$1,400,000 at that time.

Admiral PEOPLES. And all we want is \$600,000 in 1922.

Mr. KELLEY. Then, your \$1,500,000 added to the \$3,500,000, makes \$5,000,000 for your classified employees, and you obtained an increase in your limit of \$1,000,000.

Mr. REED. We are asking to increase the limitation by \$1,750,000 for this year, which is the rate at which we are making expenditures for the last six months; we are making expenditures at the rate of \$5,500,000, but due to a reduction in the force during the first six months we only got a total of \$5,250,000 for this year.

Mr. KELLEY. What I had in mind was that if it had not been for this act of 1921 removing the limitation to a certain degree, your classified employees this year would have appeared as \$5,000,000.

Admiral PEOPLES. Very close to \$5,000,000; yes.

Mr. KELLEY. Then, you received \$600,000 from provisions, Navy, making—

Mr. REED (interposing). But not all of that was for storemen and store laborers; it was for other labor engaged in handling provisions, common labor as well.

Admiral PEOPLES. On page 77 there is this provision in italics:

Provided further. That hereafter the cost of purchases and installation of scrap-handling facilities at navy yards may be paid from proceeds of sales of old material.

Mr. KELLEY. That is legislation and can not be included in this bill.

Admiral PEOPLES. We must bring that up before the Committee on Naval Affairs?

SALES OF SURPLUS STOCK.

Mr. KELLEY. Yes. How are you getting along with your sales of surplus stock?

Admiral PEOPLES. There has been a very active and intensive campaign during the past year with respect to sales and we found, commencing about November, that the prices in the market were dropping so low and the people were buying so little—they would not take anything at any price; the shortage of money and the retrenchment of business activities in general was such that it was wholly inadvisable to continue, except at a tremendous sacrifice, the sale of materials. However, the sales are still going on, but they have dropped off very materially by reason of that and because of the conditions I have just named.

Mr. KELLEY. You will probably sell no more at retail? You have gotten your stock so low that in the future you will probably sell in job lots.

Admiral PEOPLES. There is in the neighborhood of \$40,000,000 or \$50,000,000 worth of material that we ought to sell yet. The sales are going on in small quantities and we hope they will improve later on, as soon as conditions improve in the spring.

Mr. KELLEY. Are you going to have as large a selling force as you had last year?

Admiral PEOPLES. No, sir; we have cut down the selling force all along the line. We have taken off the entire selling force at Charles-

ton and Norfolk; at Boston it has been cut down; Boston is a better market than any of the southern markets; New York has been cut down and Philadelphia has been cut down. There will be further reductions just as soon as we see it does not pay us to continue the selling campaign.

Mr. KELLEY. So you think you have already let out as many as you can?

Admiral PEOPLES. No, sir; they are going down gradually.

Mr. REED. That selling force is paid from the proceeds of the sales and not from this appropriation.

Mr. KELLEY. The \$8,638,000 includes all of your employees paid from different sources, or just from this appropriation?

Mr. REED. Only from this appropriation.

EMPLOYEES.

(See p. 851.)

Mr. KELLEY. If we should continue this limit of \$3,500,000 for classified employees, how many would you have to let go at your present rates of pay?

Mr. REED. The average pay is about \$1,500 a year, and that would be cut to \$2,000,000.

Admiral PEOPLES. Somewhere in the neighborhood of 1,300, or a cut of 35 per cent, and that will be absolutely impossible.

Mr. REED. It would put us right back where we were.

Admiral PEOPLES. We feel we went the full limit in every respect to keep within that \$3,500,000. We did it; we discharged them outright on the 1st of July, and the conditions, as I have recited them, are not exaggerated in the least. We had a chaotic condition and we have not recovered from it yet; that is, from the cut made in July and August. The trouble is that there are so many activities which we are called upon to perform for the other bureaus of the Navy Department that we can not control; we have got to furnish the work or information; we do the work for them.

For instance, if you cut the appropriation for construction and repair of vessels by a certain sum it will just merely mean that certain vessels would not be repaired; that is all; if engineering were cut, certain work under the engineering department would not be done, and if you cut ordnance, certain ordnance work would not be done; but if you give them the money then they come to Supplies and Accounts and say: "We want you to buy so-and-so and want you to ship it to so-and-so, and we wish you to account for it in such a way. We are going to employ a certain number of men and you have got to pay them." We are the tail end of the kite, as it were.

Mr. KELLEY. Other bureaus were asking at first for \$184,000,000 for new construction. If we had given that to them would you have had to have a larger force?

Admiral PEOPLES. Under new construction it happens we would not have had to have a larger force; it would not have affected this thing very much.

Mr. REED. We would have had to have a larger force than we are now asking for.

Admiral PEOPLES. Oh, yes; in the accounting department that is true, because they would have employed a larger number of men.

Mr. REED. We have reflected your tentative cuts as nearly as we could guess.

Admiral PEOPLES. Now, if ships are going out of commission—

Mr. KELLEY (interposing). How many ships are going out of commission?

Admiral PEOPLES. Frankly, I do not know, but I think there will be very few.

Mr. KELLEY. Not a ship.

Admiral PEOPLES. But if it does occur—

Mr. KELLEY (interposing). It would not make any difference at all.

Admiral PEOPLES. Yes; if a number of ships did go out of commission it would affect us.

Mr. KELLEY. No important ship will go out of commission by the reduction of the number of men to an average of 100,000, unless it might be a destroyer. This is twice as many men as you had before the war and they kept 21 big first-line ships in commission with 54,000 men and now they are going to put in only 17 first-line ships with 100,000 men; the rest are small craft. So I would not attach any importance to the extra work on account of reducing the number of ships in commission. That being so it all comes down to this: That the only reduction that can be made would be in the last three items, and that is based, first, upon your action in readjusting your stock; and, second, in wage adjustments which may happen during the year.

Admiral PEOPLES. I would just reverse that; 90 per cent of it depends upon what wage readjustments may be possible.

Mr. KELLEY. I did not put them in the order of their importance.

Admiral PEOPLES. At least 90 per cent of that, because that is the primary factor that determines how much money shall go out.

Mr. KELLEY. If wages in the country decline, that will affect this last item either directly or indirectly. If you have to buy materials it will affect it directly, but if you take them out of your stock it will affect it indirectly, because you will adjust your prices inside to the current prices outside, so that there is that leeway in judgment as to those items.

Admiral PEOPLES. Yes, sir; heat, light, and power all come out of that last item, too. There is not much of the war stock left on hand of which this appropriation would get much credit, outside of mess gear and mess equipment. The other stocks that would have come out of there, like soaps, and so on, have been sold, and they are not on hand now.

Mr. KELLEY. You are asking for about six times the force in the yards and stations that you had before the war. Of course, at some yards and stations the number would not be increased, probably not at all at the smaller ones. It is only at the main stations where the building is going on.

Admiral PEOPLES. Every station, however small, has increased except Samoa, and even at Samoa the business has increased.

Mr. KELLEY. Samoa and Guam are now getting on the map.

Admiral PEOPLES. You take a small station like New Orleans, La.

Mr. KELLEY. Why should that be increased?

Admiral PEOPLES. They are doing more work there than ever before. The Bureau of Construction and Repair is doing more work

and every bureau in the department is doing more work at New Orleans this year than before the war.

Mr. KELLEY. Suppose we did not give them any money to speak of next year.

Admiral PEOPLES. You would not control it in that way, unless you cut down the totals.

Mr. KELLEY. The Bureau chiefs are not asking for a thing in the way of improvements or construction on the Atlantic coast at all.

Admiral PEOPLES. But that would not affect this.

Mr. KELLEY. Would not that reduce your force at these small places?

Admiral PEOPLES. Not the slightest.

Mr. KELLEY. I should think it would. If by adding activities your force increases I should think that by taking away activities your force would be reduced.

Admiral PEOPLES. It depends on the character of the activity added or taken away from us in the way of public works. At yards where the work is done under contract with an outside contractor it is immaterial to the department whether they are spending anything or what they are spending.

Mr. KELLEY. How much greater force have you in the bureau now than you had before the war?

Admiral PEOPLES. We have about three times the force.

Mr. KELLEY. That is the test of the whole thing. Right here under your eye, where you can see a man who is not needed, where the work heads in, where you can exercise personal supervision and weed them out, and where you have done it, you have only three times as many as before the war, but in these outlying districts, where they are far away from you, where subordinate officers are running the business, and where you have not had an opportunity to personally go and weed them out, you have six times the force. Why should the reduction in the office be twice as great as in the field?

Admiral PEOPLES. Two of the most responsible civilian officials under the jurisdiction of the Navy Department are sitting before you; they are right in the Navy Department, in the office of the Bureau of Supplies and Accounts; those two men have personally visited every navy yard and station—

Mr. KELLEY (interposing). How long were they gone?

Admiral PEOPLES. They were gone altogether six weeks on one trip and they made more than a casual examination.

Mr. KELLEY. In six weeks you could hardly cover all the yards and stations and spend a day at each place.

Admiral PEOPLES. They themselves were unable to see where any further reductions could be made.

Mr. KELLEY. They did not stay long enough.

Admiral PEOPLES. That is the first point. The next point is that this work in the field has to do with the handling of details; the volume of business they handle is reported in sum total; it comes here and one man can handle larger figures just as well as he can handle smaller figures. The work in the field has increased in much greater proportion than the work has right here. You take the inspection forces at the shipbuilding plants—

Mr. KELLEY (interposing). All of that work has to come down here?

Admiral PEOPLES. No, sir. The reports come here, that is true, but it is the business of the men who are on the job to see whether the contractor is gouging the Government, and it is idle to economize too much on that. This cost-inspection force of ours saved \$78,000,000 on cost-plus contracts—directly attributable to the cost-inspection force. This is an insurance against bad administration.

Mr. KELLEY. As regards your system or your work?

Admiral PEOPLES. We are trying to get the force necessary to carry on the work at least fairly efficiently, and nothing else. This is the only appropriation under which good administration and efficient work can be obtained, and it would be most unwise to cut this appropriation too far.

Mr. KELLEY. Are you certain that you could not cut off a good deal of your common labor at the different yards and stations? Are not men loafing on the job in some places?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Possibly not.

Admiral PEOPLES. The volume of business alone speaks for itself.

Mr. KELLEY. Men in private life tell me that it is very difficult to get the same amount of work out of men that they got before the war. That is to say, men contracted certain habits during the war and as a result are proceeding more slowly in their work. It has been stated to me that a great many classes of labor have been interfered with because of habits contracted during the war. Business men all over the country find that condition to exist, and nearly every private business is trying now to adjust itself to that situation and to get back to the old habits when men paid a little more attention to business. Of course, in a great establishment like the Navy, where you have 75,000 mechanics and other employees, as well as thousands of ordinary workmen and laborers, with men coming and going, floating with the tide, so to speak, a good deal of that same condition must exist. Do you not think that it would be a very simple matter to organize more minutely all along the line and accomplish a splendid work in reduction, such as you have accomplished under your eyes right here in the department?

Admiral PEOPLES. It is impossible to make that reduction.

Mr. KELLEY. Perhaps not as much as that.

Admiral PEOPLES. We have at each one of these establishments responsible and able officers. They are there for the purpose of cutting down and economizing as much as they possibly can.

Mr. KELLEY. What did you send Mr. Reed out for?

Admiral PEOPLES. For that very purpose—that is, to look into the situation and help the officers along, and to see whether or not the officers were doing that thing.

Mr. KELLEY. And as a result of this visit by Mr. Reed and Mr. Vining you probably cut off something?

Admiral PEOPLES. Yes, sir; but we did not cut off as much as we wanted to cut.

Mr. KELLEY. You can not rely altogether upon the officers in charge, because they become attached to their stations. The officers want to build up the places, and the foremen become attached to the men under them. They do not like to dismiss anybody. They are apt to reflect that it is the Government anyhow that is paying the

bill, and, therefore, what is the use. I apprehend there is a good deal of that spirit.

Mr. FRENCH. I think it was brought out last year by Assistant Secretary Franklin Roosevelt himself that the efficiency of the yards and stations had fallen off fully 65 per cent as compared with 100 per cent before the war. I remember that Mr. Vare, a member of our committee, when we considered the whole question in the full committee, said that for the contracting company of which he was a member in Philadelphia he placed the figure of inefficiency at from 60 to 65 per cent, as compared with 100 per cent before the war.

Admiral PEOPLES. I think there is no doubt whatever that as a general proposition these employees do less to-day than they did before the war, but if we had given these people what they wanted we would have come here with an estimate of \$15,891,000. We have cut \$3,000,000 off already.

HOLIDAYS AND LEAVE.

Mr. KELLEY. Is the item of overtime and holidays paid out of this fund?

Admiral PEOPLES. Holidays and leave?

Mr. KELLEY. Yes. What holiday or leave time is not paid for out of the appropriations for the work on which the men are engaged?

Mr. REED. That would be under Yards and Docks or under Public Works and Maintenance, Yards and Docks.

Mr. VINING. The employees who may be paid under Public Works appropriations—

Mr. KELLEY (interposing). How about navy-yard mechanics and other employees? Does the same fund that pays them for the time they work pay them also for the time that they do not work?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. When the Bureau of Construction and Repair are working on the repair of a battleship, is not the time that the men are idle under this leave and holiday arrangement charged to the ship that they are repairing?

Mr. VINING. If they were repairing a ship it would be charged to the appropriation "Construction and repair," or the proper proportion of the expense is charged to construction and repair.

Mr. KELLEY. The chief of the Bureau of Construction and Repair says that holiday and leave time is not to be computed in figuring whether or not the \$300,000 limit which is to be paid for the repair of a battleship is reached.

Mr. VINING. I do not know how he figures his limit, but it goes in as a part of the cost.

Mr. REED. Where a man has 30 days' leave it would not be fair to charge to the ship on which he works only 1 day the entire 30 days' leave. He may have worked on 100 other jobs during the year, and the holiday and leave pay is prorated and charged to the productive work to which it applied.

Admiral PEOPLES. For instance, take the battleship *Kansas*: The total expenditures for the last fiscal year on the *Kansas* were \$67,315.54, split up into the items of labor under various appropriations—"Ordnance," "Construction and repair," "Engineering," etc. Now,

there was an overhead expense of \$21,222, an item of 26,279 for materials supplied by yard labor, an item of \$558 for the direct purchase made of some special article, making a total of \$17,000. Included in this item of overhead expense is the proportionate share of leave and holidays which goes into the overhead. That is reported as one of the items of charge for the cost of the work on the *Kansas* done by the navy yard.

Mr. KELLEY. Then Admiral Taylor was wrong if he said that the limit of cost of a battleship could be fixed irrespective of the question of the holiday and leave time paid, or that that would not be a charge to the ship in determining the cost of repairing the ship. The law provides that you can not spend more than \$300,000 for repairs to a ship without special authorization. Now, Admiral Taylor asked for \$300,000 and Admiral Griffin asked for \$150,000, making a total of \$450,000 for the repair of certain dreadnaughts for the coming year, and we called the attention of those two officers to the fact that only \$300,000 could be spent in the repair of a ship without special authority from Congress.

The answer was that the leave and holiday pay of the men engaged in the work would not be charged to the cost of repairing the ship, and when that was taken out the amount asked for was not in excess of \$300,000. You are the accounting officers, and it is rather important to know about this, because they are asking for repairs, I think, on 17 dreadnaughts. Their estimates seem to be \$150,000 in excess of what the law permits to be expended. If Admiral Taylor has to pay a man for all day Saturday, when he does not work after noon on Saturday, where is that half day finally charged?

Mr. VINING. We know that it goes into the general expense of the navy yard and is distributed over all of the productive work being done at the navy yard. Each piece of productive work must bear its proportionate part of that expense.

Admiral PEOPLES. Does Admiral Taylor mean this, that in making up the estimates for the limitation on repairs they estimate only for the cost of direct labor and direct materials?

Mr. VINING. He may possibly mean that.

Admiral PEOPLES. Then, in making up the total appropriation, the holiday and leave time goes in as one sum.

Mr. KELLEY. Well, where does that come in?

Admiral PEOPLES. Out of construction and repair of vessels.

Mr. KELLEY. What sense would there be in that? If it is paid out of the appropriation for the repair of ships, why not charge it up to the ships?

Mr. VINING. You can not charge it to the cost of a specific job. If a man goes on leave, you do not know on what job he went.

Mr. KELLEY. You say you would apportion it?

Mr. VINING. Yes, sir.

Mr. KELLEY. In the end it would go to the ships?

Mr. VINING. Actually, it is charged against the ships.

Mr. KELLEY. Why should they have a different practice as to new ships and old ships? If they charge up the men's leave to new construction, why not charge it up to repairs? Where the repairs to a ship amount to \$450,000, there would be no trouble in assigning to that ship its overhead. Under the law as it stands now, could this.

committee, in your judgment, appropriate \$450,000 for the repair of the *Pennsylvania* under the bookkeeping practice of the department?

Mr. VINING. Do you mean without the specific sanction of that amount by Congress?

Mr. KELLEY. Yes.

Mr. VINING. I do not know. They had a 20 per cent limit at one time.

Mr. REED. \$300,000 is now the limit of cost.

Mr. FRENCH. Are any overhead charges figured in the limit of cost?

Mr. VINING. In the case of new construction they use a very low overhead rate, but I think it is approximately 30 or 40 per cent.

Mr. FRENCH. In the case of repairs?

Mr. VINING. I do not know. I presume that they use one overhead.

Admiral PEOPLES. These costs here are according to the accepted and approved system of industrials accounting by the navy yards and according to the suggestions made by Dr. Cleveland's commission and various other commissions that we have had in years gone by. Reports are submitted so as to show the charges under these various heads, which include these various items. If, in making up his estimates, and chief of bureau disregards this, then we do not know anything about it.

Mr. KELLEY. In making up an estimate for that ship, if the amount is more than \$300,000, under your present system of accounting, would it be possible to simply charge that excess to the leave and holiday account and not charge it to the ship at all?

Mr. VINING. The location of the charges does not depend upon the \$300,000 limit.

Mr. KELLEY. If you have \$300,000 worth of actual work done on a ship, and then if there is a further charge which, when apportioned to the various charges of the yard for leave and holiday, amounts to \$150,000 as against this job, would not the cost of repairing that ship be \$450,000?

Admiral PEOPLES. The cost of any particular job surely should bear its proportionate share of that expense, whether done under the limit of cost or without the limit of cost.

Mr. KELLEY. You have never sanctioned the idea of taking out the expense of the leave and not charging it up against the repair of battleships?

Admiral PEOPLES. It goes in, and this book shows it.

Mr. KELLEY. Have you kept track of it, to see whether or not they spend morer than \$300,000?

Mr. REED. The accounting officer at the yard would keep track of that and report from time to time when the limit of cost was reached.

Mr. KELLEY. Maybe they do not put this item in, or, perhaps they have been instructed not to put it in.

Mr. VINING. Not by Supplies and Accounts.

Mr. KELLEY. This runs into great sums of money.

Mr. REED. That would be contrary to any instructions that Supplies and Accounts has sent out. I think we will have to take that matter up with Construction and Repair and see just what they want.

Mr. KELLEY. Now, Admiral, one final question in reference to this navy yard and station force: I notice that they get more pay than

your force down here in the department, or they receive more pay than the people in your own office down here who are doing the same work.

Admiral PEOPLES. It applies throughout the same way.

Mr. KELLEY. Mr. Wood asked Mr. Reed this question:

Mr. Wood. Let me ask you what is the average rate of pay of your employees?

Mr. REED. About \$1,200. That does not include the bonus. With the bonus it will be just about \$1,440.

Mr. Wood. Did your people receive the same raise that was given to the clerical force of the navy yards?

Mr. REED. No, sir.

You have reduced your force here in the office to about three times what it was before the war, and you kept the pay, or the law required it to be done, at less than similar clerks get in the navy yards. I know you have thought about this a good deal, and you realize the situation of the Government at this time, and I was just wondering whether, with a little reflection over night, you would be able to tell us to-morrow how much reduction might be made here. I will not ask you to answer that to-night.

Admiral PEOPLES. It is something over which we have no control.

Mr. KELLEY. I was hoping that you might be willing, even with the use of what ordinarily might be called strong-arm methods, to force the number down to four times what it was before the war, and thereby save some money there. Will you think that over?

Admiral PEOPLES. I have used strong-arm methods, and double-fisted methods, and we have made as much reduction as we consistently can make. The Secretary is compelled, in accordance with law, to authorize a deficiency in writing this year by reason of the reductions that were made last year.

Mr. KELLEY. That is, in the classified employees?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. I am speaking of the other three classes.

Admiral PEOPLES. We have gone over that, and we are willing to do anything we possibly can do, but we can not do the impossible.

Mr. KELLEY. You want the limitation raised to not above \$5,000,000?

Admiral PEOPLES. To \$5,500,000.

Mr. REED. In the estimates for 1922 we are providing for a cut in the amount for unskilled labor of approximately 15 per cent. That is the rate at which we are spending now.

Mr. KELLEY. You are asking for a deficiency under this limitation of how much?

Mr. REED. Of \$1,750,000, and to increase the limitation \$1,500,000 in money. We are spending now at the rate of \$5,500,000, or that is the rate for the last six months of the year. We will save \$250,000, due to the cut.

Mr. KELLEY. You are really figuring on reducing your classified force \$250,000?

Mr. REED. We are spending at the rate of \$5,500,000, or we are now spending at the rate of about \$5,500,000. For the first six months we spent at the rate of \$5,000,000, and for the entire year at the rate of \$5,250,000.

Mr. KELLEY. If you are only using at the rate of \$5,250,000—

Mr. REED (interposing). That is because during the last six months of the year we are spending at the rate of \$5,500,000, and we feel that we must continue at that rate.

Admiral PEOPLES. The work is still away behind because of the cut made in July and August.

Mr. KELLEY. To show that, if you have spent \$5,250,000 this year, you ought to have \$5,500,000 for next year, would be an almost impossible job.

Admiral PEOPLES. This will help explain that situation. We could put this statement in the record to show exactly the status of the work on the 1st of December and the 1st of January.

Mr. KELLEY. That statement is too long for the record.

Admiral PEOPLES. Take Boston as an average yard. On the 1st of September the work was 60 per cent behind; on the 1st of January it was 85 per cent behind, and on the stub requisitions unpriced, it was 96 per cent behind. The general status of the work is deplorable.

Mr. KELLEY. Next year the Boston yard will not have anything to do.

Admiral PEOPLES. I hope not. That will be reflected in unexpended balances elsewhere.

TUESDAY, JANUARY 25, 1921.

NUMBER AND PAY OF EMPLOYEES.

Mr. KELLEY. Before we leave this item we were working on yesterday, "Maintenance, Bureau of Supplies and Accounts," let us consider it a little further. How many employees do you have to carry because of these cost-plus contracts?

Admiral PEOPLES. There is about \$800,000 involved and about 550 employees.

Mr. KELLEY. And what would be their average pay?

Mr. REED. \$1,500 a year.

Admiral PEOPLES. They are above the ordinary clerical type, many of them.

Mr. REED. Many of them are. We used to pay higher wages, but the average is about the same now.

Mr. KELLEY. That would be about \$825,000.

Admiral PEOPLES. Approximately that; yes, sir.

Mr. KELLEY. And that is about the number you estimate you will need next year, also.

Admiral PEOPLES. Yes, sir; there will be some slight reduction in that in the navy yard forces, probably, but if this work continues on the new ships that are building in navy yards and ships that are building at shipbuilding plants there will not be very much of a reduction in numbers, Governor.

Mr. KELLEY. What other extra activities do you pay for out of this fund for classified employees over and above what you had to look after in 1916?

Admiral PEOPLES. There are two distinct establishments which were not provided for in 1916—one is the naval operating base at

Hampton Roads, which is a new institution, and the other is the Navy supply depot at South Brooklyn. The reason for their establishment, particularly of the South Brooklyn supply depot, was this: When it came to the development of the shipbuilding facilities in the navy yards, it was necessary to lay down the building slips right where the supply depot for supplying the fleet or the vessels basing on New York Harbor were located. So all those buildings were torn down—about six of them. In certain respects they were modern buildings. They were all torn down, and then it was necessary to go outside the navy yard and to establish at South Brooklyn a depot for supplying the vessels of the fleet basing on New York Harbor. That took with it also the naval clothing depot and the provision depot; and that is a tremendous institution, as witnessed by the fact that there were about \$12,000,000 worth of supplies issued from that depot this last year. It has an enormous business.

Mr. KELLEY. Was that in the nature of a consolidation of other distributing depots?

Admiral PEOPLES. At other points? No, sir.

Mr. KELLEY. You still continue them at the other points?

Admiral PEOPLES. We had to; yes, sir.

Mr. KELLEY. And these are extra establishments over and above what you had before?

Admiral PEOPLES. Due to the increase in the number of ships and the number of men; yes, sir.

Mr. KELLEY. How many classified employees have you in those two places?

Admiral PEOPLES. Three hundred and fourteen at South Brooklyn and 320 at Hampton Roads.

Mr. KELLEY. That makes 634. What will their average pay be?

Mr. REED. About \$1,500.

Mr. KELLEY. That would be about \$951,000?

Admiral PEOPLES. Yes; and, as I pointed out last night, too, in 1916 the yard accounting departments were paid for proportionately by all the various bureaus of the departments, principally Engineering, Construction and Repair, Ordnance, and Yards and Docks, and the money was taken out of those appropriations and consolidated under "Maintenance, Supplies and Accounts," in 1917, which reflects an increase in 1920, 1921, and 1922, as compared with what the appropriation itself stood in 1916.

Mr. KELLEY. When was that done?

Mr. REED. That was done for the fiscal year 1917.

Mr. KELLEY. You mean that the entire cost of clerical help in the navy yards, in the accounting departments, was apportioned to the bureaus whose work caused the accounting?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. If that system were in operation now, how much would that relieve your fund?

Admiral PEOPLES. In other words, how much of "Maintenance, Supplies and Accounts," should be charged up to other appropriations?

Mr. KELLEY. If the same rule was in force as was in force in 1916?

Mr. REED. We were paying about 10 per cent of the cost in 1916. The total cost in 1916 was about \$300,000 and Supplies and Accounts

was paying about \$30,000, and the remainder, \$270,000, was being charged to the appropriations of other bureaus.

Mr. KELLEY. And what is the practice now?

Mr. REED. Supplies and Accounts now pay for all of it in order to enable us to handle the force as a whole and have it entirely under our control.

Admiral PEOPLES. In other words, 90 per cent of the present cost as compared with the practice in 1916 would be charged to the other appropriations.

Mr. KELLEY. That is, in the yards.

Admiral PEOPLES. Yes, sir; in the yards only.

Mr. REED. The cost inspection service is an entirely new proposition that we did not have at that time, and that 90 per cent will amount to about \$1,000,000 at the present time.

Mr. KELLEY. You mean by that if the bureaus were charged on the same basis they were charged in 1916, it would take \$1,000,000 out of this fund and spread it over the different bureaus.

Mr. REED. Yes, sir.

Mr. KELLEY. Are there any other factors which should be considered in order to make a fair comparison as between the present time and 1916?

Admiral PEOPLES. Does "Maintenance, Supplies and Accounts," bear a larger proportion of the heat, light, and power in navy yards in 1922 as compared with 1916?

Mr. REED. I think due to the change in overhead rates our charges are higher for that.

Admiral PEOPLES. That is a very considerable item.

Mr. KELLEY. But that would not affect this item of classified employees.

Admiral PEOPLES. No, sir.

Mr. KELLEY. I am speaking now wholly of classified employees.

Mr. REED. There have been a considerable number of activities which we have had to take over and furnish with civilian clerical force that we did not have in 1916. For instance, it has been necessary at the various hospitals of any size to have a supply officer on duty there and to give him clerical assistance to handle the pay accounts and the issue of clothing and subsistence to the enlisted personnel on duty or under treatment at the hospital.

Mr. KELLEY. Did you not always have to do that?

Mr. REED. No, sir; it used to be handled through the receiving ships at the various yards where the work was done by enlisted personnel, but with the increase in size of the Navy and the activities it developed that that was not a practical way of carrying on the work under present conditions.

Mr. KELLEY. That would be extra employees that you did not furnish before?

Mr. REED. Yes, sir.

Mr. KELLEY. What would that amount to?

Mr. REED. There are something like 50 or 60 clerks involved, which amounts to around \$75,000 or \$80,000.

Mr. KELLEY. You did not include those in this figure?

Mr. REED. At the naval magazine, while the accounting for the stores and the issues was nominally under the charge of the supply

officer at the adjacent yard, in actual practice the supply officer had only a single representative at the magazine; but with the large increase in the amount of ordnance stores on hand, it has become necessary to station a separate supply officer at most of the magazines, the larger ones, to handle the stores and the accounting work in connection with them, and we are obliged to pay for the clerical force in connection with that work. A part of the clerical work that was done in the past was done by employees paid for by the Bureau of Ordnance.

Mr. KELLEY. We have taken that into account once.

Admiral PEOPLES. No, sir; not at the ammunition depots.

Mr. KELLEY. How many employees would that mean?

Mr. REED. There would be between 60 and 70 of those.

Admiral PEOPLES. Then the work in the disbursing departments requires a larger number of clerical employees now.

Mr. KELLEY. I am talking now entirely of new activities. I know the number has increased, but I am confining this to the new activities, and then we can reach a comparison.

Admiral PEOPLES. This is a new activity inasmuch as the work was not required in 1916, Mr. Chairman.

Mr. KELLEY. What is that?

Admiral PEOPLES. The mechanics and laborers are paid four times a month now; in other words, they are paid every week, whereas in 1916 they were only paid twice a month or every two weeks. The pay has been complicated by reason of the retirement deductions and the bonus itself has added somewhat to it, and the 5 per cent addition for night work is another extra, and all that sort of thing.

Mr. KELLEY. There may have been some things of that kind that have dropped out since 1916. Is that all?

Admiral PEOPLES. In so far as new activities are concerned. Then, of course, there is the increase in the number of ships and the numbers of men and numbers of mechanics and laborers.

Mr. KELLEY. That only swells the total work and does not bring in any new activities?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Now, let us see how it runs. The storemen and others used to be paid out of this fund?

Mr. REED. Out of this limitation; yes, sir.

Mr. KELLEY. And I think you said yesterday that that amounted this year to about \$1,500,000?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Adding that to the \$3,500,000 limitation makes \$5,000,000, and you are asking for \$1,500,000 in excess of that, making \$6,500,000, on the basis of 1916, including those storekeepers who were included in 1916, and in 1916 you had in your classified limitation \$643,000, so that really next year you are asking for ten times as much as you had in 1916. If we take out the \$850,000 for the cost-plus people, that will leave \$5,650,000, and then if we take out the \$951,000 for the 634 people at the new activities, that would be \$4,699,000, and then \$1,000,000 for industrial accounting would leave \$3,699,000, and then if we take out two items of \$75,000, one for hospitals and one for ammunition depots, that would be \$3,500,000 in round numbers, which is still about six times as much.

Admiral PEOPLES. There is one important thing we overlooked, too, and that is the naval reserve system and the retainer pay and all that sort of thing.

Mr. KELLEY. That is all done in your office here.

Admiral PEOPLES. It is paid out of "Maintenance, Supplies and Accounts." It is a field office, Mr. Chairman, because it is a part of the Navy allotment office, which has for many years past been a field office, regardless of where it is located. It can be located here or it can be located in Norfolk or New York or Philadelphia or anywhere and is paid out of "Maintenance, Supplies and Accounts."

Mr. KELLEY. How much is that?

Admiral PEOPLES. That is a big item, sir, amounting to about \$225,000 a year. That is listed under the heading of new activities.

Mr. KELLEY. That leaves \$3,429,000 asked for next year as against \$643,000 in 1916. Now, that is a fair comparison, as near as we can get it, as to the two institutions, making due allowance for new activities, all the other cost coming from the increased work.

Admiral PEOPLES. In order to obtain a fair comparison, which you are endeavoring to ascertain, Mr. Chairman, you should convert the terms of the \$643,000 in 1916 on the basis of the 1921 dollars.

Mr. KELLEY. I was just going to take that up next.

Admiral PEOPLES. Before you start in on the question as to what the increase in the volume of the work has been.

Mr. KELLEY. That is a difference in the pay?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. What is the difference in pay?

Mr. REED. A 60 per cent increase.

Mr. KELLEY. Per man?

Mr. REED. Average; yes, sir.

Admiral PEOPLES. I thought it was higher than that.

Mr. KELLEY. In the classified force?

Admiral PEOPLES. Yes, sir; the average increase in pay has been 60 per cent since 1916.

Mr. REED. The mechanical force has gone up as high as 128 per cent; but, of course, leaving that out, it shows that an increase of 60 per cent on that basis is a fair comparison, and 60 per cent on top of that—

Mr. KELLEY (interposing). Let us get that.

Mr. REED. In other words, our force of 1916 at present rates of pay would cost us \$1,027,000.

Mr. KELLEY. How do you arrive at that 60 per cent.

Mr. REED. The average rate of pay for the clerical force at navy yards—I have not the figures for 1916, but on the 30th of June, 1917, was \$3.10 a day and on the 31st of December, 1920, \$4.97 a day.

Mr. KELLEY. That is the average wage of the classified force?

Mr. REED. Yes, sir.

Mr. KELLEY. And your contention is that if those employees were paid on the basis of 1916 they would get \$2,130,625.

Mr. REED. No; \$643,000 plus 60 per cent, which would be \$1,027,000.

Mr. KELLEY. You would not make the calculation that way. It would be eight-fifths of the other amount.

Admiral PEOPLES. It would be fairer to work it the other way.

Mr. KELLEY. No; it is this other figure plus 60 per cent. It is not 60 per cent off of this figure [indicating]. That would make a difference.

Admiral PEOPLES. It makes a decided difference.

Mr. KELLEY. That is to say, if you had the old rate, you would have \$2,130,625, and you add 60 per cent to that, which gives the figure you are paying now of \$3,429,000.

Admiral PEOPLES. Which is approximately three times the amount of work done by the supply and accounting and disbursing departments now.

Mr. KELLEY. Making every calculation you can think of in the way of getting the two together on the same basis you would be asking for \$2,130,625 where you were asking for \$643,000 in 1916. That is three and one-third times as much. In 1916 we had 352 vessels in the Navy and in 1920 we had 795 vessels. That is about two and a quarter times as many. In 1916 we had 54,049 men, and we are planning this on the basis of 100,000 men, or not quite twice. In 1916 we had 35,432 men in all the navy yards and stations, and the last figure obtainable is 78,813, or just a trifle over twice. You are asking three and one-third times as much money for your classified help with two and a quarter times as many ships, less than twice as many men in the navy yards, and just a trifle over twice as many people in the navy yards, after having made all the calculations possible for new activities.

Admiral PEOPLES. Do not overlook the question of stores, Mr. Chairman; the value of the stores on hand.

Mr. KELLEY. You have \$285,000,000 of stores on hand to-day?

Admiral PEOPLES. The stores in the naval supply account have increased five times; from \$50,000,000 to \$250,000,000.

Mr. KELLEY. A lot of that, Admiral Taylor said, was dead stuff; never would be handled?

Admiral PEOPLES. I wish Admiral Taylor's bureau or himself would agree to the sale of a lot of that material—the Bureau of Construction and Repair recommended that it be not sold, as the official records will show.

Mr. KELLEY. It would not be handled much if it were dead?

Admiral PEOPLES. But it is not dead, that is just the point.

Mr. KELLEY. He was not making any general statement about any department except his own.

Admiral PEOPLES. As to general stock, matters carried in the naval supply account, at the beginning of the fiscal year 1920 the value was about \$320,000,000. At the present time there are about \$285,000,000 and there was received from purchase and manufacture during 1920 about \$228,000,000; there was issued about \$243,000,000 and \$20,000,000 sold, resulting in a net reduction of the total value of the stock at the end of the year as compared with the first of the year of about \$35,000,000. In other words, the operation of the naval supply account, which is the main supply account of the Navy and which carries 90 per cent of the items, not so much the values, but the items of materials that are used by the Bureaus of Construction and Repair, Steam Engineering, Ordnance, and Yards and Docks has increased approximately five times between 1916 and the present time. The quantity on hand has increased from \$50,000,000 to over \$280,000,000.

Mr. KELLEY. How does the value of stores which you have on hand as an item by itself increase your clerical force—is it not the volume of your issues rather than the volume in the storehouse?

Admiral PEOPLES. It is the accounting for them, they come in and go out and have to be taken care of.

Mr. KELLEY. You have a certain volume of stuff in your storehouses and you have twice as many ships as you had to make application for them, twice as many navy yard employees who require material to work upon. That item, I understand, would result in perhaps twice as much bookkeeping, although it might not. It would as to the ships, no doubt, but as to the work in the navy yards with twice the number of men, I do not think it would require twice the amount of bookkeeping. The stores would simply be issued in larger quantities.

Admiral PEOPLES. Every time a shipment is made it requires clerical force to make up the invoices.

Mr. KELLEY. That has always been done.

Admiral PEOPLES. On the shipments, no; because every effort is made and has been made to reduce the stocks by shipments from one navy yard to another. A requisition will be prepared at Norfolk for one article and if that article is in stock at New York to spare it is ordered shipped from New York to Norfolk to apply on the requisition and the requisition is canceled instead of a new purchase being made.

Mr. KELLEY. Did you not always do that?

Admiral PEOPLES. The volume and value of it—

Mr. KELLEY (interposing). The volume is not out of proportion to the number of ships or men in the Navy?

Admiral PEOPLES. It was not necessary to issue the detailed system of reports from the yards where they have this surplus stock, because in 1916 we did not have any surplus stock on hand. A very considerable amount of clerical force is needed alone in the disposing of stocks which was not so in 1916.

Mr. KELLEY. That is paid for out of the sales of the stocks?

Admiral PEOPLES. No, sir.

Mr. KELLEY. What do you mean by disposing of stocks?

Admiral PEOPLES. By shipments from one navy yard to another, between navy yards, in accordance with the illustration I just mentioned. There is a great deal of additional work along that line. \$39,000,000 worth was shipped under these conditions and purchases of an equivalent amount of material were not made. That necessitates additional work. In that respect additional clerical work is required in the supply departments, but the amount of work, Mr. Chirman, done in the supply, accounting, and disbursing departments in general is reflected in the size of the annual report of the Paymaster General of the Navy. In 1916 this was the size of the report, just about that size [indicating].

Mr. KELLEY. You have gotten the book so large that nobody now looks at it?

Admiral PEOPLES. The headings in this report are the same as in 1916 and the size of the volume graphically illustrates the amount of increase in the work. This report is between five and six times the size of the report for 1916.

Mr. KELLEY. Who gets up the volume?

Admiral PEOPLES. This particular document was gotten up here.

Mr. KELLEY. In your office?

Admiral PEOPLES. In the Bureau of Supplies and Accounts.

Mr. KELLEY. Where your force has been kept down to the proportionate amount that you had in 1916?

Admiral PEOPLES. No. The data were consolidated in the yards and came to us here. There is a part of it which we did not do here before. This shows the details of the work as conducted by the supply, accounting, and disbursing departments of the navy yards—it is reflected in the size of the report itself.

Mr. KELLEY. Can you throw any more light on the extra work you are doing over and above that done in 1916? I do not mean in volume, but in kind, because I think of necessity there is more volume.

Admiral PEOPLES. We must have, in order to show the increase in work and in order to get a thorough grasp of it a comparison of the report in 1916 as to the operations of the supply departments with the operations of the supply departments in 1920 by yards and stations. The character of that work is illustrated in the number of shipments made, express, freight, and mail shipments, and also shipments by Government conveyance, the average number of—

Mr. KELLEY (interposing). That would not be very illuminating because you have sent out blankets and all sorts of things by parcel post and the number of shipments would run to the skies.

Admiral PEOPLES. But this shows the clerical work in connection with the shipment itself.

Mr. KELLEY. You have not a statement showing the shipments due to sales separate from other shipments?

Admiral PEOPLES. No, sir. A comparison of the details of these various items that I have here as compared—

Mr. KELLEY. (interposing). That would not help us, because that includes the clerical work of the vast army of clerks paid for out of the sales. How much have you paid clerks out of sales?

Admiral PEOPLES. Due to sales?

Mr. KELLEY. No; you have a large number of clerks engaged in the sales department who are not paid for out of this fund, but paid for out of the sale of articles?

Admiral PEOPLES. We would have to get that figure for you.

Mr. REED. They are not employed in the supply departments.

Mr. KELLEY. But they are under your direction?

Mr. REED. They are under our direction, but employed by the survey, appraisal, and sale boards.

Mr. KELLEY. The packages they send out would appear in this?

Mr. REED. No; only the packages sent out by the supply officers.

Mr. KELLEY. Would the supply officers take care of that situation?

Mr. REED. They are not entirely supply department activities.

Mr. KELLEY. They are in your department?

Mr. REED. Some of the shipments are made directly from the stocks in the storehouses at the navy yards.

Admiral PEOPLES. Surplus material when it is to be sold is turned over by the supply department to the sales board and then the sales board handles all the expense from that time on.

Mr. KELLEY. Yet the sales board is a creation of yours?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. It is still in your department?

Admiral PEOPLES. Yes, sir; it comes under the jurisdiction of Supplies and Accounts.

Mr. KELLEY. Here is the situation we are in. You have \$3,500,000 this year for the classified labor. You are asking for a deficiency of how much?

Mr. REED. An increase of \$1,750,000 under that limitation.

Mr. KELLEY. That will make \$5,250,000 for the year?

Mr. REED. Yes, sir.

FREIGHT.

Mr. KELLEY. The next item is freight.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. This year you have \$2,000,000. Is there any deficiency?

Admiral PEOPLES. The deficiency is \$6,237,876 from the present indicated expenditures, and we submitted to Congress an estimate of \$5,000,000.

Mr. KELLEY. Then, you are asking Congress for \$7,000,000 for this current year?

Admiral PEOPLES. The estimate for 1922 is \$5,000,000.

Mr. KELLEY. What is the deficiency for the current year?

Admiral PEOPLES. \$6,237,876.

Mr. KELLEY. Is that the amount you are asking for?

Admiral PEOPLES. We are asking for \$5,000,000.

Mr. KELLEY. You had \$2,000,000 appropriated and you are asking for \$5,000,000 in a deficiency?

Admiral PEOPLES. Yes, sir; making \$7,000,000 for 1921. The estimate for 1922 is \$5,000,000. The original estimate was \$7,600,000.

Mr. KELLEY. How do you make up this estimate?

Admiral PEOPLES. The estimate is made up as follows: Rail or coastwise water shipments, 850,000 tons, at \$5.48, \$4,658,000; express shipments, 2,550 tons, at \$90.50, \$230,525; ocean shipments, 22,500 tons, at \$19.03, \$441,475; transportation of household effects, \$170,000: labor in handling incoming and outgoing shipments, in loading and unloading cargo vessels, \$2,000,000; packing materials, such as lumber, nails, burlap, excelsior, and barrels, \$100,000; making a total of \$7,600,000. The quantities of material expected to be shipped during the current year, or during 1921, are as follows: Rail and coastwise water shipments, 904,340 tons; express shipments, 2,700 tons; and ocean shipments, 22,900 tons.

Mr. KELLEY. Take the first item of rail or coastwise water shipments, 850,000 tons, at \$5.48 per ton; how do you arrive at that?

Admiral PEOPLES. That figure is based upon bills and reports or bills of lading covering actual shipments made during 1921. Upon the basis of the shipments which have been made and at the present rate of shipments, it is estimated that in 1922 there will be approximately 850,000 tons to be moved. That is as close as we can estimate it.

Mr. KELLEY. What is the basis of the calculation?

Admiral PEOPLES. The basis of the calculation is the actual shipments made in 1921, or up to date.

Mr. KELLEY. What is it for—coal or what?

Admiral PEOPLES. No, sir; this is freight.

Mr. KELLEY. Freight on coal?

Admiral PEOPLES. No, sir.

Mr. BYRNES. The one specific exception is coal.

Mr. KELLEY. The freight on coal is not included in here?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Where is that paid?

Admiral PEOPLES. Under fuel and transportation. That is a separate item.

Mr. BYRNES. What does this include?

Admiral PEOPLES. The appropriation "freight" covers the shipments of all Navy freight from navy yard to navy yard, from navy yards and outfitting points to ships, foreign freight by commercial carriers, freight from points of manufacture to navy yards where the ships are being repaired or built, or for stock. In other words, it covers all charges of freight for Navy materials which are used by the various bureaus of the department. All of it comes out of this appropriation. It is centralized here and is not charged to any other appropriation.

Mr. KELLEY. What are the actual charges up to date this year?

Admiral PEOPLES. \$4,300,000.

Mr. KELLEY. Have you not been sending a good deal of freight to the Pacific coast?

Admiral PEOPLES. The division of the fleet has necessitated the shipment of freight to west-coast stations, and those shipments are much larger in proportion than they have been heretofore.

Mr. KELLEY. The past year was the first year the fleet was out there?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And you had to ship large quantities of stores out there last year, so that last year's freight movement to Pacific coast stations would not be any criterion to go by this year, because you have already transferred your stock.

Admiral PEOPLES. Those supplies are being consumed, and there is a constant charge. There is a constant movement by freight of commodities of all kinds to the Pacific coast stations and navy yards, and there will be such a movement just so long as the ships are consuming them.

Mr. KELLEY. Where does the freight start from?

Admiral PEOPLES. That depends. Take, for illustration, the quantity of structural steel or ship plates required for use in the New York Navy Yard: Bids are invited on the basis of f. o. b. the works or mill, or on the alternative basis for delivery at the navy yard. When the bids are opened it is then determined from the bids submitted which is cheaper for the Government to accept—the bid of the firm proposing f. o. b. delivery at the mill, plus the freight which the Government will have to pay, or the bid of the firm that proposes delivery at the navy yard. If the former case applies, that bid is accepted, in which case the freight charges are paid at the mill. In that case the title to the property is vested in the Government just as soon as the material is inspected; provided, of course, it complies with the specifications.

Mr. KELLEY. Will that freight show up in the cost?

Admiral PEOPLES. No, sir.

Mr. KELLEY. So that, if you pay the freight from Pittsburgh to the New York Navy Yard on some structural steel going into a ship, the ship would be charged with the cost of the steel at Pittsburgh?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And the item of freight would be charged with the freight between those two points?

Admiral PEOPLES. This appropriation for freight; yes, sir.

Mr. KELLEY. That is not the way costs are determined in private establishments, is it?

Admiral PEOPLES. No, sir.

Mr. KELLEY. There are so many practices different from those you find in private business that it is almost impossible to make anything like an accurate comparison of the costs.

Admiral PEOPLES. That simply shows the necessity of a complete revision of this appropriation bill from beginning to end.

Mr. KELLEY. Who determines whether the freight charges will come out of the appropriation which is made by Congress for purchasing the commodity, or whether it shall come out of this item?

Admiral PEOPLES. The Paymaster General determines whether or not it will be cheaper for the Government to accept one or the other of the bids submitted.

Mr. KELLEY. Suppose we appropriated \$1,000,000 for armor plate. The assumption would be that we would add what the armor plate costs the Government when it was bought to the cost of the ships; but suppose the Bureau of Ordnance comes down to and says, "Admiral, I want you to pay the freight on this material," thus giving them a larger sum of money for armor plate than Congress intended.

Admiral PEOPLES. He could not do that.

Mr. KELLEY. Why not?

Admiral PEOPLES. Because it would be cheaper to accept the bid of the firm proposing to deliver f. o. b. the mill, or, unless that was cheaper, plus the Government freight rates to the point where the armor was to be used—

Mr. KELLEY (interposing). The point I am getting at is that the intention of Congress as to the appropriation could be interfered with very greatly simply by administering this freight charge.

Mr. REED. I do not think so. In that case this procedure has been in force and effect for a long term of years, and the committees of Congress in drafting appropriation bills have been informed that it is our practice to make purchases in such a way as to involve the least ultimate cost to the United States.

Admiral PEOPLES. These facts have been brought out in the hearings right along.

Mr. KELLEY. When you pay freight, under this appropriation, on a piece of structural steel going into a ship, why do you not charge the freight to the Bureau of Ordnance or to the Bureau of Construction and Repair, as the case may be?

Mr. VINING. I think that this would make the reason plainer: Take the case of armor plate, for instance, and assume that the Bureau of Ordnance, instead of deciding to purchase that armor plate on the outside decides to manufacture it at the armor-plate plant at

Charleston, W. Va. Now, your appropriation for the armor plate would only stand the cost of direct labor and material, plus part of the overhead, and that charge would not represent the full cost of the armor plate, because it would not include the pay of superintendence or the pay of the clerks. There would be many items of overhead expense incurred in the manufacture that would not be charged against the armor-plate appropriation.

Mr. KELLEY. If we appropriate \$420 per ton for armor plate—whether you bought or made it—one of the chief elements would be the getting of that material to the place of use.

Admiral PEOPLES. You could govern that by saying that the \$420 per ton, for illustration, should include all costs to the Navy Department, including the freight charges, or that no freight charges should be borne under this item.

Mr. KELLEY. It appears that this item has grown from \$525,000 in 1915—

Admiral PEOPLES (interposing). There was a deficiency. There has been a deficiency in this appropriation every year since 1913.

Mr. KELLEY. It appears that it has grown from \$750,000, in round numbers, in 1915, to about \$1,000,000 in 1916, and to \$7,000,000 this year, and that may be partly due to the difference in the policy or whether the freight for new construction, we will say, is charged to the item of freight or is charged where it belongs—that is, to the cost of the structure.

Admiral PEOPLES. Not in actual practice.

Mr. KELLEY. In your estimate for next year, how much have you included for freight on shipments going into the 1916 program?

Admiral PEOPLES. The building program?

Mr. KELLEY. Yes; the building program.

Admiral PEOPLES. There has been none included.

Mr. KELLEY. Then, if there are any shipments of steel or machinery to the navy yards, the freight would be charged against the appropriation for increase of the Navy?

Admiral PEOPLES. That is right.

Mr. KELLEY. In every case?

Admiral PEOPLES. According to the terms of the contract, if delivery is required at the navy yard where the ship is being built—

Mr. KELLEY (interposing). Suppose the contract calls for a certain price f. o. b. the point of manufacture, who pays the freight?

Admiral PEOPLES. The appropriation "Freight" pays it.

Mr. KELLEY. And not the appropriation for increase of the Navy?

Mr. VINING. As a matter of fact, in that one specific case, "Increase of the Navy" pays it.

Mr. KELLEY. What particular case?

Mr. VINING. Where you buy the structural steel f. o. b. the plant and it is to be delivered for a specific ship.

Mr. KELLEY. Tell us what is not paid that way?

Mr. VINING. General f. o. b. purchases of general materials at navy yards, where you do not know the actual ultimate disposition of the material.

Mr. REED. If we make a purchase of structural material for general use, it may be used on the construction of a number of ships, or it may be used on the repairs for a number of ships. In that case

the freight charges are payable from this appropriation. If we make a specific contract for the delivery of material for a specific ship, knowing in advance what ship it is to be used on, then the freight would be charged against the appropriation for the construction of the ship.

Admiral PEOPLES. It depends upon the facts in the particular case. There is no doubt about it. For instance, take the two battle cruisers being built at the navy yard at Philadelphia: In the construction of those vessels there will be very considerable quantities of material drawn from the common stocks in the supply department, including rivets, angle irons, etc.

Mr. KELLEY. Upon which you have paid the freight?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. When you sell an article that is put in storage, do you not add to the value of it the freight paid on it?

Admiral PEOPLES. No, sir; under the Navy appropriation system that is not possible.

Mr. KELLEY. So that the material that you actually carry in your storehouse does not include in its cost the freight?

Admiral PEOPLES. It depends upon the contracts under which it was purchased.

Mr. KELLEY. Well, if it were purchased as a general order, and not for some specific ship?

Admiral PEOPLES. That is true to a certain extent; but always bear in mind, in the first place, that if it were cheaper for the Navy to lay down that article at the Philadelphia Navy Yard by paying the freight itself, it would have done so, in which event, the answer to your question would be in the affirmative. If, on the other hand, according to the terms of the contract, delivery had been made at the navy yard by the contractor, the contract price would have included the cost of the freight.

Mr. KELLEY. I agree with you that when it is cheaper for the Government to pay the freight, the Government ought to pay it.

Admiral PEOPLES. That is the way this appropriation is administered.

Mr. KELLEY. But when it pays it, it should charge that freight to the thing that is benefited, and for which that specific appropriation has been made. If, for instance, we were asked here in this bill to appropriate \$450,000 apiece for the repair of 17 dreadnaughts next year, that would involve the purchase of large quantities of materials of all kinds which would have to be shipped to the navy yard: Now, who would pay the freight on those materials?

Admiral PEOPLES. "Freight—Supplies and Accounts" would. If it is bought f. o. b. the mill, the appropriation "Freight—Supplies and Accounts" will bear the cost of the freight.

Mr. KELLEY. If we appropriated \$450,000 for that purpose, why would you not charge back to the appropriation its proportionate share of the freight?

Admiral PEOPLES. We are not allowed to.

Mr. KELLEY. You do not want the appropriation made twice.

Admiral PEOPLES. We are not allowed to do that by law.

Mr. REED. As you will see, the item covers all freight and express charges pertaining to the Navy Department and its bureaus, except

the transportation of coal. Because of the way you make your appropriations here, we are required to charge the freight under the Government's bill of lading to the appropriation "Freight, Bureau of Supplies and Accounts," and we have no authority to charge it to any other appropriation—

Mr. KELLEY (interposing). Then, why does Mr. Vining make the statement he does?

Mr. REED. Because in 1914 the Comptroller of the Treasury made a decision which did not agree with the whole line of precedents which he had previously established, to the effect that, when we made a contract for the delivery of material for the construction of a specific vessel, that then, in that event, the cost of freight or the freight charges on those particular shipments should be charged to the appropriation for the construction of the vessel. In other words, he made an exception to the general rules that had been laid down by his office. The whole thing is not due to our accounting system, but to the appropriating methods that have been adopted by Congress.

Mr. Wood. When you are estimating for the construction of a ship, and you estimate that it will cost \$4,000,000, does that estimate include the freight?

Admiral PEOPLES. I assume that the estimate as originally made would include freight. We do not make those estimates.

Mr. Wood. When the thing is completed, and you render an account of what it cost, does that account include the freight?

Admiral PEOPLES. Under the decision of the comptroller that Mr. Reed has referred to, yes, sir; but only in that specific case. Where it is a specific ship, it is counted; but in other cases the other condition applies.

Mr. KELLEY. We were discussing the practice in the department of charging certain items of freight to the freight account, and under the regulations certain other freight items to the cost of construction.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. I wonder if you could put in the record a statement which would fairly state the case, so that the House would know just as accurately as possible, when they appropriate for the repair of a battleship, for instance, a large sum of money, whether the cost of the repairs includes also the freight on the materials used. I would be glad if you would put in a general statement that will define pretty well the items that are charged to the cost of construction and those charged to this item of freight.

If we are going to limit the amount of money that can be expended in the case of repairs upon a ship, there ought to be some definite understanding as to what items are included in the cost of repairs to the ship. If you do not include the cost of freight on the material, and if you do not include the Saturday afternoon holidays for the men, and if you do not include the 30 days' vacation, although all of it is paid out of the appropriation for the ship, the bag is open at one end.

NOTE.—Freight paid from the appropriation "Freight, Supplies and Accounts" is not included in the cost of work. Freight charges included in the cost of materials purchased f. o. b. navy yard are included in the cost of work.

Leave and holiday pay for all employees at industrial navy yards is charged to the cost of the work through the prorating of overhead expense.

Admiral PEOPLES. You are striking at one of the fundamental difficulties of the appropriation system that applies not only to the repair of ships but to everything else. Our recommendation is to revise the wording of the appropriation bill in such a way as to accomplish the very purpose you have in mind—that is to say, when Congress appropriates a certain sum of money for a specific object it will know in advance how much the estimate will be and how much the appropriation will meet, and later on how much has been expended thereon.

Mr. KELLEY. Your recommendation is to proceed this year with the bill as it has appeared in other years?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And then when the new budget commission is organized one of the first things they ought to do would be to redraft the naval bill?

Admiral PEOPLES. Yes, sir.

Mr. REED. For instance, if you come right down to the proposition of considering the cost at a particular place or on a particular ship, you are not particularly concerned, in the case of the repair of the *Utah*, with knowing how much is charged to "Pay of the Navy," how much to "Pay, miscellaneous," how much to "Engineering," how much to "Ordnance," etc. You are not directly concerned as to that, but what you are interested in is to know how much the repair of the *Utah* cost and what was the nature of the repairs. Now, we keep track, as far as we can under the accounting system authorized by law, of the actual cost of the repairs to that ship. We also have to keep track of the various charges to the different appropriations, because the money is appropriated in that way, and we must know what to charge to each appropriation, so as to see what the obligation of each appropriation is. The amount appropriated under the different appropriations has really no direct bearing on what has been spent for the repair of the ship. It gives you no information.

Mr. KELLEY. The thing that we have to guard most in making appropriations is the duplication of items. That is to say, in figuring what it would cost to repair a ship one of the most elemental things to be taken into account would be the cost of the material laid down at the yard or the cost of the material plus the freight. If in figuring the cost of a thing you obtain a certain appropriation for it, including the freight, and the freight is then paid out of this fund, the money for freight will have been appropriated twice, and it will leave a surplus of funds that should not exist.

Mr. REED. If you should do away with the separate appropriation for freight you might reach it. You have two appropriations for freight, one being this appropriation and the other in the material appropriation. If we buy the material f. o. b. cars at the works this appropriation is charged with the freight, but if it is purchased f. o. b. the navy yard the freight is charged to the material appropriation. If all the charges for repairs went against a single appropriation for freight, regardless of whether the material was purchased f. o. b. the works or f. o. b. the navy yard, then the appropriation for the material would not be swollen. There is a possible duplication of estimates. It is impossible to know in advance that particular material will be used for the repair of a particular ship,

or whether a year and a half hence certain material will be purchased f. o. b. navy yard or f. o. b. the mill. We can not tell whether the material will come from material that is in stock at New York, for instance, and shipped to Norfolk.

Admiral PEOPLES. But as an accounting proposition freight should go into the cost of the work, whether provided for as freight or whether reported as a part of the cost of the work.

Mr. KELLEY. If we knew that it was taken out of the other fund—

Admiral PEOPLES (interposing). You do know that.

Mr. KELLEY. If you make a contract to deliver the material at the yard—

Admiral PEOPLES (interposing). Some of it will be and some of it will not be.

Mr. KELLEY. One rule applies when it is delivered f. o. b. the place of manufacture and another rule applies when it is delivered f. o. b. the place of use. It does not seem that that rule would be controlling, and it does not seem to me that it would help to decide whether particular items should be paid out of this fund.

Admiral PEOPLES. But in the long run, so far as the total money cost is concerned, it is cheaper to handle the matter in this way.

Mr. KELLEY. You could not tell with certainty in a great establishment within, say, \$1,000,000 or how much money you would need for freight for next year?

Mr. REED. Our estimates in the past have proven to be good forecasts. In other words, our own estimates in the department, and not those submitted by the Secretary, for 1920, were \$10,000,000, and the actual charges have been \$9,485,000, with a possibility that there may be some bills not yet settled up with the railroads.

Mr. KELLEY. You think that \$5,000,000 will be required next year?

Mr. REED. We do not. The Secretary reduced that figure to \$5,000,000. We figure that it will require \$7,600,000.

Mr. KELLEY. Who decides, according to the general rule laid down awhile ago, whether an item of freight shall be paid out of this fund or out of the appropriation "Increase of the Navy"?

Admiral PEOPLES. Certain factors which are self-evident upon the face of them determine that. If it is a matter of original purchase and the amount quoted by the lowest bidder, plus freight from the location of the material to the point where the material is to be used, is the lowest bid, it is accepted. If that figure plus the freight charge to the place of delivery is less than the next lowest bidder for delivery at the navy yard, then, automatically, the lower combination of the two is accepted.

Mr. KELLEY. What I mean is who lays down this rule that if an article is shipped f. o. b. the point of manufacture, this fund is charged with the freight, whereas if it is shipped f. o. b. the navy yard, some other fund is charged with it? Who determines that principle?

Mr. REED. That is a matter of law, or of appropriation law, as construed by the accounting officers. In other words, the appropriation for Construction and Repair, for instance, provides for the purchase of material for certain work—

Mr. KELLEY (interposing). I will put it this way: Suppose, in connection with this item for freight, you were making your con-

tracts for next year; could you not draw your contract so that practically all of your material would be delivered at the yard instead of at the place of manufacture, and, in that way, could you not switch the freight charges over from this item to the appropriation for construction or repairs?

Mr. REED. It would be possible to say that we would not accept any bids f. o. b. the factory.

Admiral PEOPLES. Although it would cost the Government more, we could do that; but that would be in violation of the principle of buying material f. o. b. the works when it is cheaper. That is the commercial practice.

Mr. KELLEY. But the charging of the freight is optional with you entirely?

Admiral PEOPLES. On that point, yes, sir. We follow in that manner the standard up-to-date commercial practice, and the Government also gets the benefit of it in reduced prices.

Mr. KELLEY. Suppose you purchase material to be delivered at the yard and the freight is included in the price, and suppose you knew that that material would be used for the repair of a particular ship, why could you not charge the freight to the appropriation for the ship without any further law?

Mr. REED. If the material were purchased and delivered at the yard so that the cost of the material included the manufacturer's delivery charges, it would automatically go into the cost of repairs to that particular ship. It would be taken up on the books and issued at the price at which it was delivered at the yard.

Mr. KELLEY. Suppose you pay the freight, and you knew the commodity is to be used in the repair of a particular ship?

Admiral PEOPLES. In that we would run counter to the law which provides that where there is a specific appropriation for a specific purpose, that appropriation and no other shall be used.

Mr. KELLEY. When it is not included in the manufacturer's price it must be paid out of this fund?

Admiral PEOPLES. Yes, sir.

Mr. REED. Except where it is specifically for the construction of a new ship.

Admiral PEOPLES. There is one exception, and that is in the case of a new ship being constructed out of "Increase of the Navy." The Comptroller of the Treasury has held that in that event when material is purchased directly for that particular ship, then the freight charge must be charged to that ship and come out of the appropriation for "Increase of the Navy."

Mr. KELLEY. The same thing would be true, of course, in regard to the repair of the ship?

Mr. REED. No, sir; it does not go that far.

Mr. KELLEY. But the same reasoning would carry you there.

Mr. REED. The bulk of our material for repair work is purchased from stock.

Mr. KELLEY. It is taken out of the general stock?

Mr. REED. Yes, sir. We do not make specific purchases for repair work on specific vessels.

Admiral PEOPLES. The structural steel comes out of the stock. The great bulk of materials used in the repair of a particular ship would come out of the stocks in the storehouse.

Mr. REED. When a navy yard has a certain repair program laid down for it they take into consideration the stocks on hand at the yard and the stocks at other yards and stations reported in excess. Then, whatever their deficiency may be will have to be purchased to enable them to carry on the work. That deficiency they put in as stock requisitions or stock replenishment requisitions, and it is purchased and drawn out of the stock as required.

Mr. KELLEY. Suppose early last year you had purchased material and had it shipped to one of your storehouses on the Atlantic coast. The item of freight there would have come out of the last year's appropriation?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And then, because of the division of the fleet in 1920, suppose that material had to be taken out of your storehouse on the Atlantic coast and shipped to the Pacific coast; that would appear as an extra charge against your freight account, would it not?

Admiral PEOPLES. For this year.

Mr. KELLEY. Now, there must have been in 1920 a great many transactions of that kind, where the material was shipped from the point of manufacture to an eastern storehouse, and then later on, because of the division of the fleet under the policy of the Navy Department, and which you could not have known of at the time of making the contract, the material was shipped to the Pacific coast, and therefore you would have quite a good deal of double freight charges in 1920 that would not happen now. That is true, because you know that the fleet is out there, and when you make your contracts for shipments, if you buy something in Chicago, it is shipped right to the Pacific coast and not to the Atlantic coast and then back to the Pacific coast. Would not that result in the saving of a good many thousands of dollars in the course of the year as compared with the previous year?

Admiral PEOPLES. To a small extent.

Mr. KELLEY. I think it would be a large item.

Admiral PEOPLES. No, sir; not so large.

Mr. KELLEY. When was the fleet divided?

Admiral PEOPLES. About a year ago, or 14 or 15 months ago.

Mr. KELLEY. In that case, where the goods were taken from the Atlantic storehouses and shipped to the west coast, you had a double freight charge, because the goods were handled twice.

Admiral PEOPLES. You must bear this in mind, that every collier and every oiler that has left Hampton Roads for the west coast has taken with it as much freight shipment as possibly could be made. The public conveyances have been utilized to the maximum, and freight shipments by rail across the continent, as compared with shipments made by public conveyances, have been, generally speaking, a minor matter.

Mr. KELLEY. How is this divided between coastwise water and rail shipments?

Mr. REED. We could not definitely answer that from the data we have. That covers shipments from New York to Norfolk and from New York to Boston, between which points we frequently make shipments by the water route.

Mr. KELLEY. One of the big items of the increased freight is undoubtedly due to the division of the fleet. You must have made a

good many more shipments to the west coast last year than you will be required to make this year. For instance, you buy beef at Omaha, do you not, or where do you buy beef?

Admiral PEOPLES. At Chicago, Omaha, and Kansas City.

Mr. REED. Our provisions contracts provide for delivery at the point of use.

Admiral PEOPLES. Of course, anything that can be purchased in California cheaper than it can be shipped from the east coast would be purchased in California.

Mr. REED. The big packers have their cold-storage plants on the west coast.

Mr. KELLEY. That is something that would show up in the item of provisions, but not in freight?

Admiral PEOPLES. Yes, sir. For instance, flour is purchased in tremendous quantities in the West, and tinned fruits and tinned vegetables are purchased on the western coast.

Mr. FRENCH. Do the big concerns that supply you with meats quote you approximately the same figure on the Pacific coast, per pound, near to the cattle and sheep that they buy, that they quote you f. o. b. Chicago? For instance, I have this in mind: In my own State, where we have numerous sugar factories, just as they have in Mr. Kelley's State, Michigan, they quote the same price right by the side of the factory that they do in New York and Florida, to which points the sugar is shipped.

Admiral PEOPLES. I have never had that experience. The eastern meat people are unable to compete with the western meat companies, except with respect to tinned meat. On tinned meats the eastern packer in many cases has been able to underbid the western packer and lay down the product in San Francisco.

Mr. Wood. There is competition there?

Admiral PEOPLES. Yes, sir; there is real competition there.

Mr. KELLEY. You buy canned goods ahead for the year?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And you store them?

Admiral PEOPLES. An estimate is made in advance as to how much of a given quantity is required. We will say that 1,000,000 pounds or 2,000,000 pounds of corned beef is estimated, and so much of it is estimated for delivery at Mare Island; so much for delivery at Puget Sound, so much at New York, so much at Boston, so much at Philadelphia, and so much at Norfolk. That is estimated as closely as we can do it.

Mr. KELLEY. I am speaking of the year 1920. You bought your canned goods a year in advance for 1920, and those supplies have practically all been shipped to storehouses on the Atlantic coast. Then, some months later, when you found that the fleet was divided, the proportion of those stores that would go to the Pacific Fleet had to be shipped out there.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. It seems to me that as compared with the 1920 stores, there would be a vast saving made next year, when you know in advance how many ships will be out there, and when you can ship goods right out there from the factory instead of first shipping them

to storehouses on the Atlantic and then shipping them to the west coast.

Admiral PEOPLES. Most of the shipments in that case were made by public conveyance, by water, or on naval vessels. The amount of shipments to the western coast that would come under this appropriation have not been, generally speaking, so great as might seem on the face of it. Rope, for example, which is manufactured at Boston, has been shipped in considerable quantities to the western coast, as well as general engineering supplies and general deck supplies. No lumber has been shipped out there, but, on the contrary, lumber has been shipped from California to the East, and considerable quantities of tinned fruit have been shipped from California to the East. I see what you are driving at.

Mr. KELLEY. There is a legitimate reduction that you could make in this item as compared with your expenditures in 1920.

Mr. REED. If you go back to our 1920 figures, you will see that our expenditures were \$9,500,000. Then, to that has been added a rate increase of more than 20 per cent, and that rate increase of 20 per cent would add approximately \$2,000,000 to our cost for 1920, making the estimate on the same volume of shipments \$11,500,000. However, we are estimating that the freight movement will be so reduced that the expenditures for 1922 will not exceed \$7,600,000, which represents a reduction of \$3,900,000, or approximately a reduction of one-third. I understand that you are trying to get us to admit that because of the decrease of shipments as between 1920 and 1922 we could further reduce our estimates for 1922, but, as a matter of fact, we have already taken those factors into consideration and have made a reduction of one-third.

Mr. KELLEY. In your expenditures for 1920, amounting to \$9,500,000, you had freight items aggregating immense sums merely for pulling your material together and getting it into storehouses.

Admiral PEOPLES. We have very little inland storage.

Mr. KELLEY. My recollection is that you vacated a number of storehouses last year. You have reduced your storage bill.

Admiral PEOPLES. Yes, sir; that would apply to the navy yard at Boston. We vacated the Army expeditionary base there.

Mr. KELLEY. Suppose you take supplies from some near-by point and put it in a navy yard, that would involve freight?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. It would cost almost as much as it would to carry it 100 miles?

Admiral PEOPLES. As I remember the figures, it cost us \$50,000 at Boston. It cost us about \$137,000 altogether to vacate the Army storage at Charleston, S. C., and Boston.

Mr. KELLEY. You consolidated in Chicago everything from Detroit and all around the Great Lakes?

Admiral PEOPLES. Those shipments did not amount to much. There were no considerable stocks there.

Mr. KELLEY. There were a lot of clerks at Chicago to take care of the stocks.

Admiral PEOPLES. As a matter of fact, some freight was shipped to Chicago and sold there.

Mr. KELLEY. Because you had a market for it there?

Admiral PEOPLES. Yes, sir; a much better market than in the East.

Mr. KELLEY. You paid the freight on any material that you sold last year and shipped?

Admiral PEOPLES. No, sir; they were sold either at Chicago or f. o. b. the eastern point, the purchaser paying the freight. They handled the sales in Chicago. There were considerable items of miscellaneous supplies that were disposed of through Chicago, including blankets, as I remember. They sold about 15,000 blankets out there, but the freight on them did not amount to more than one carload.

Mr. REED. Many small retail sales were made by parcel post, the purchaser paying the postage.

Mr. KELLEY. Tell me as nearly as you can how you figure that freight this year will be \$2,500,000 less than in 1920? How do you get at that?

Mr. REED. We took as a basis the shipments during the early part of 1921 and computed the probable shipments during the remainder of 1921. Then we made an allowance of about 7 per cent for a falling off in shipments and applied the average rate.

Admiral PEOPLES. \$4,800,000 was expended for freight during the first six months.

Mr. REED. We used our best judgment as to what the volume of shipments would be.

Admiral PEOPLES. With a very decided increase in freight rates.

FOR LABOR IN HANDLING OUTGOING SHIPMENTS AND LOADING AND UNLOADING CARGO VESSELS.

Mr. KELLEY. For labor in handling incoming and outgoing shipments and loading and unloading cargo vessels, you estimate \$2,000,000. Give us some idea about that.

Admiral PEOPLES. That is common labor engaged principally in loading and unloading cargo vessels. That is done by contract or stevedore contract. That covers fresh beef, fresh vegetables, and the like.

Mr. KELLEY. That item can come down with the general slide in prices?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. The item of transportation of household effects is a new one and comes as a result of new legislation last year?

Admiral PEOPLES. Yes, sir.

FREIGHT.

Mr. KELLEY. If we reduce this appropriation it would always be possible for you to keep within it, having complete control over the making of contracts with reference to the delivery of freight and whether it was to be f. o. b. navy yard or f. o. b. point of manufacture.

Admiral PEOPLES. Only such portion of it which is due to the acceptance of freight f. o. b. point of manufacture.

Mr. KELLEY. I say, by making contracts and having the freight included in the cost.

Admiral PEOPLES. That is a small part of it; but the shipments that would have to be made to distant points, to vessels in the Medi-

terranean, for example, would be contingent upon two things: One, whether a Government vessel were available, and if not, then the shipment would have to be made by a commercial carrier, in which event the cost would come out of this appropriation.

Mr. KELLEY. I am speaking of this first item, rail or coastwise water shipments.

Mr. REED. The bulk of the expenditures are for the movement of materials between navy yards, where they are on hand in navy yards, regardless of how they got there.

Mr. KELLEY. You do not mean on movements between yards? You do not ship from one yard to another, do you?

Admiral PEOPLES. Take a rope as an example. Rope is manufactured at the Boston Navy Yard, and the hemp out of which that rope is made is purchased in the Philippines; the freight on that hemp, if it is shipped by a commercial carrier, comes out of this appropriation; if there happens to be a naval vessel available, then there will be no charge against this appropriation for bringing that hemp from Manila to Boston. Boston is the manufacturing place for rope, and it supplies every navy yard on the eastern coast and on the western coast with manufactured rope, and the cost of shipping rope from Boston to any navy yard comes out of the appropriation, freight—and clothing the same way. If we found we were running short under the appropriation, freight, and if we had \$100,000 worth of material or a half million dollars' worth of material at any one navy yard that should be used at another navy yard, it would compel us to go into the market and buy a half million dollars' worth of material for delivery direct to the navy yard where it was going to be used, and still have the same material on hand at another point.

Mr. KELLEY. That would be true if all of your material was in your possession, but I take it that the bulk of your freight is for material you will buy and that the bulk of your freight is not for shipping from storehouse to storehouse.

Admiral PEOPLES. That is a considerable item.

Mr. KELLEY. But not the bulk of it.

Mr. REED. Yes; most of it.

Admiral PEOPLES. In the Navy's possession.

Mr. KELLEY. Of all the freight you will send out next year, do you mean to say you will be moving it around from one storehouse to another to a greater extent than you will be taking in new material?

Mr. REED. And charging the cost of transportation to this appropriation; yes, sir.

Mr. KELLEY. What data have you to show that?

Admiral PEOPLES. To get at the very root of things, the Navy has a system under which it has central distributing points; where things can be manufactured cheaper at one yard that yard is made the supply point. Ditty boxes are manufactured at the navy yard at Portsmouth, N. H., and shipped from Portsmouth to the navy yards needing them; the same is true of coaling bags, flags, and various items of electrical equipment, which are distributed from New York; the New York yard was the distributing point for some 325 different items, and all that is manufactured in considerable quantities at one point, Navy standard stocks, is then supplied to the yards needing

that material in smaller quantities. When that material is transferred the freight charges on it are lodged against this appropriation.

Mr. KELLEY. Then you must have quite a lot of freight charges lodged against food.

Admiral PEOPLES. There are; yes. For example, all of the vessels at the Charleston Navy Yard are supplied with food from Norfolk.

Mr. KELLEY. And the freight from Norfolk to Charleston is paid out of this fund?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. But the freight from the packer to Norfolk is added to the cost of the meat?

Admiral PEOPLES. From provisions of the Navy; yes, sir. It is a part of the conditions under the appropriation; the method of making appropriations causes that.

Mr. KELLEY. But if you had in mind all the time that you had a certain amount for freight and carefully watched the apportioning of the freight charges where they should logically and reasonably fall you never would have to incur a deficiency in freight.

Admiral PEOPLES. I wish I could agree with that, but I can not.

Mr. KELLEY. Having in mind all the time the fact that you have authority to make contracts as to the point of delivery?

Mr. REED. We could eliminate all charges against this appropriation if they are charges from a factory to a navy yard; that can be done, but in all cases it would not be advantageous to the Government.

Mr. KELLEY. I am not saying you could do that to-day, but I am saying that if you had a certain amount given for freight and then simply charged to the production cost whatever would be the proper charge, just as you do as to your food—you buy your food from the packers to be delivered at a certain point and their cost includes the freight and that is paid out of the appropriation Provisions, Navy?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. If you supplied the same general rule to other classes of freight, where the freight would logically and normally become a part of the cost, having full control over the place where the food and other supplies were to be delivered, you never would need to incur a deficiency in freight, would you?

Admiral PEOPLES. I wish I could answer that in the affirmative, but the question of a deficiency does not apply. However, it would result in this: It would result in charging against the other appropriations carried in the bill all the freight charges, and more in many cases than are now carried under this appropriation; it would cost the Government more money to institute that practice; there is no question about that. But the appropriation, "Freight," could be relieved of all the freight charges on materials which are now accepted f. o. b. mills by forcing the contractor to have the contract drawn f. o. b. point of delivery. But that practice is not businesslike, is uncommercial, and is going to cost the Government more money than to follow the present practice.

Mr. KELLEY. When you buy a consignment of goods, we will say f. o. b. cars at Pittsburgh, you take them from that point to the Norfolk Navy Yard; you pay the cost of the goods first to the manufacturer; then you pay the freight to Norfolk, and then you pay all the charges from your Norfolk station to your warehouse.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Then you sell that consignment of goods to the Bureau of Yards and Docks, Construction and Repair, or Steam Engineering at the cost of the consignment at Pittsburgh?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And all the other charges are paid out of this fund?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. The intermediate charges are paid out of this fund?

Admiral PEOPLES. Yes, sir; those would be legitimate charges against the various bureaus in so far as the cost goes.

Mr. KELLEY. If you were in private business, that is what you would do.

Admiral PEOPLES. And they would come to the committee—

Mr. KELLEY (interposing). If they have not already done so.

Admiral PEOPLES. They have not done that.

Mr. KELLEY. They can not tell how much of their freight is going to be paid and how much is not.

Admiral PEOPLES. As I say, they would come to the committee and ask for an appropriation for freight which would equal or be more than the appropriation here.

Mr. KELLEY. I will ask you this question: Suppose you were the Chief of the Bureau of Construction and Repair, could you tell a year in advance how much you were going to be charged for freight by the Bureau of Supplies and Accounts?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Not knowing how they were going to make their contracts?

Admiral PEOPLES. Having in mind the fact that I would have to put into my appropriation, construction, and repair of vessels, an amount to cover that freight, it would be one of the factors that I would necessarily use in making up my estimate. Let me give you an illustration as to how this thing works out and one of the few hundreds of reasons why this principle has grown up. I was in charge of the purchase division of Supplies and Accounts, commencing with 1904, and I created the present purchase system of the Navy; it was a development during the seven years I was on duty in Washington at that time. One of the first conditions I found was this: Ninety per cent of all the business of the Navy Department was in the hands of small middlemen and dealers in the localities where the navy yards were located. I made an inquiry into the matter and found that when the proposals were invited they read just like this, for illustration: 15,000 pounds of tool steel, to be delivered by the contractor and stored by him on the fourth story of a certain building in the navy yard, Puget Sound. That tool steel was manufactured in Pittsburgh. I asked the Carnegie Steel Co. why they would not bid on a class of material like that and why all of the Navy's business was going into the hands of middlemen. They said, "We can not do otherwise; commercial people accept their deliveries f. o. b. mills and they pay the freight charges to the point where the material is to be used, but under the present system we must go to some local dealer in Seattle, who is acquainted with the local stevedores and local handling people there, and make arrangements with them and pay them a profit for doing that work for us, and we

do not care to bother with business of that kind; it is too much trouble."

Mr. KELLEY. That is, they did not want to make the delivery at the far end?

Admiral PEOPLES. Yes, sir. So I found the only way to get at the root of this thing, put it on a business basis and get competition among the manufacturers, was to remove the unusual and unbusinesslike restrictions that were thrown around Navy purchases up to that time, and that was the beginning; at that time our freight bill did not amount to anything; it was comparatively nothing. Then, we started in on the system of accepting materials f. o. b. mills and the Navy paid the freight and handling charges from that time on.

FUEL AND TRANSPORTATION.

Mr. KELLEY. The next item is fuel and transportation. I suppose that means fuel and the transportation of the fuel.

Admiral PEOPLES. Yes, sir. The appropriation for 1921 is \$10,000,000, that is, for the current year; the estimated expenditures for the current year are \$37,438,000, or a deficiency of \$27,000,000. The total expenditures up to December 31, 1920, amounted to \$18,267,412.54, that is, for the first six months of the current year. On the basis of 143,500 men the estimate for 1922 was \$44,441,199, and on the basis of 100,000 men the estimate has been reduced to \$34,982,000.

This estimate is based on information furnished by the Chief of Naval Operations as to the ships which it will be possible to keep in commission with an enlisted strength of 100,000 men, which ships, steaming normally, as under present conditions, average 20 days under steam and 10 days in port, will require fuel as follows: Coal, 894,500 tons at \$7.65 per ton, including transportation, \$6,842,925; fuel oil, 5,176,200 barrels at \$3.85 per barrel, \$19,928,370; gasoline, 7,744,436 gallons at 27 cents per gallon, \$2,090,997.72; maintenance and operation of coaling plants and bunkering depots, \$2,142,857; tug and vessel hire, water, ice, etc., \$3,977,600, or a total of \$34,982,749.72. The unit cost of \$7.65 per ton for coal is made up of the following items: Average price f. o. b. mines, \$4.15; average transportation, \$3; trimming and miscellaneous, 50 cents per ton, making a total of \$7.65 per ton. The transportation cost allows for rail freight from mines to tidewater on coal required for reshipment to various navy yards and storage plants, and for rail freight to points where direct deliveries are made by suppliers. The unit cost of \$3.85 per barrel for fuel oil is based on an average price of \$3.25, \$3, and \$2.25 per barrel, respectively, f. o. b. naval vessels at Fall River, Mass., at Atlantic and Gulf ports, and at terminal points at the west coast, plus about 75 cents per barrel to cover necessary miscellaneous forms of deliveries at the various points.

It is anticipated that the bulk of east-coast needs will be supplied from Fall River, Mass. The average price of 27 cents per gallon of gasoline is based on various forms of delivery required, such as f. o. b. naval vessels, at suppliers' works, delivery alongside of naval vessels, tank wagons, tank cars, drum and case deliveries. The average basic costs are 22, 27, and 27 cents per gallon, respectively, at Fall River, Mass., Atlantic and Gulf ports, and west-coast points. It is expected

that the bulk of deliveries will be secured at Fall River, Mass. The estimated quantities of fuel, both coal and oil, that will be burned on a basis of a fleet which can be kept in commission with an enlisted strength of 100,000 men is as follows: Six dreadnaughts for one year will burn 111,000 tons of coal, at a value of \$849,150; fuel oil, 205,300 barrels, at \$790,405; 11 dreadnaughts, one year in commission, making a total of 17 in all, burning no coal whatever, but straight oil burners, 1,015,000 barrels, at \$3,907,750.

In reserve there will be 2 which will burn a total of 8,000 tons of coal at \$61,200. Cruisers in commission, 2 for 1 year, coal burners, 87,000 tons; 3 for 6 months, burning 45,000 tons; 1 for 9 months, burning 45,000 tons; 1 for 3 months, burning 15,000 tons; and 1 for 1 month, burning 5,000 tons. Destroyers in commission, 96 for 1 year, straight oil burners, will burn 1,855,000 barrels; in reserve, 202 for 1 year, burning 655,000 barrels. Submarines in commission, 131 for 1 year, burning 95,000 barrels of oil; in reserve, 8 for 1 year, burning 2,000 barrels. Destroyer tenders in commission, 4 for 1 year, coal burners, burning 30,200 tons and 500 barrels of oil; 2 oil burners for 1 year, burning 95,000 barrels, and 1 oil burner for 8 months in commission, burning 40,000 barrels. Submarine tenders in commission, 2 for 1 year, burning 50,000 barrels; 3 for 1 year, burning 20,000 tons of coal and 12,000 barrels of oil; they are combination oil and coal burners; 1 for 1 year, burning 7,000 barrels; 2 for 1 year, burning 12,000 tons of coal and no oil; 9 Eagle boats for 1 year, burning oil only, 53,500 barrels. Fleet repair vessels in commission, 1 for 1 year's commission, burning 5,000 tons of coal and 30,000 barrels of oil; one for one year's commission, burning 9,000 tons of coal and no oil; 1 for 1 year's commission, burning no coal but 50,000 barrels of oil. Hospital ships, 2 in commission for 1 year, burning 14,000 tons of coal.

Supply ships in commission, 1 oil burner, burning 55,000 barrels; 3 coal burners for 1 year's commission, burning 18,400 tons of coal. Target repair ships, 2 for 1 year's commission, burning 5,000 tons of coal and no oil; 1 in commission for 1 year, burning 4,500 tons of coal. Aircraft tenders in commission, 1 for 1 year, burning 600 tons of coal and 15,000 barrels of oil. Aircraft carriers, 1 for 1 year's commission, burning 26,000 barrels of oil. Mine layers in commission, 2 for 1 year, burning 75,000 barrels of oil. Colliers in commission, 8 for 1 year, coal burners, burning 86,300 tons of coal. Oil tankers in commission, 9 for 1 year, burning 455,900 barrels of oil; 1 for 1 year, burning 12,000 tons of coal; and one for 8 months, burning 18,000 barrels of oil. Transport cargo ships in commission, 8 for 1 year, burning 124,500 tons of coal. Ammunition ships in commission, 2 for 1 year, burning 10,000 tons of coal and 70,000 barrels of oil. Gunboats, in commission, 14 for 1 year, burning 58,200 tons of coal and 15,000 barrels of oil; 1 for 9 months, burning 2,000 tons of coal and 10,000 barrels of oil. Survey ships in commission, 2 for 1 year, burning 5,800 tons of coal. Fish Commission ships in commission, 2 for 1 year, burning 25,000 tons of coal.

Station craft in commission, 11 for 1 year, burning 38,000 tons of coal, and 2 for 1 year, burning 19,000 barrels of oil. Experimental ships in reserve, 1 for 1 year, burning 3,000 tons of coal. Eagle boats in reserve, 40 for 1 year, burning 60,000 barrels of oil. Mine sweepers

and tugs in commission, 35 for 1 year, burning 286,000 barrels of oil; and in reserve, 18 for 1 year, burning 36,000 barrels of oil. Sea-going tugs in commission, 30 for 1 year, burning 30,000 tons of coal and 350,000 barrels of oil; harbor tugs in commission, 60 for 1 year, burning 20,000 barrels of oil; and miscellaneous ships in commission, 35, for 1 year, burning 65,000 tons of coal. The aggregate is 894,500 tons of coal, at a total cost of \$6,842,925, and 5,176,200 barrels of fuel oil, at a total cost of \$19,928,370.

Mr. KELLEY. How many destroyers have you included?

Admiral PEOPLES. Ninety-six for one year's commission and 202 in reserve. The figures were 1,355,000 barrels of oil for 96 destroyers. The original estimate was 2,075,000 barrels for 144 destroyers, which was cut to 96 destroyers burning 1,355,000 barrels.

Mr. KELLEY. How many submarines have you there?

Admiral PEOPLES. One hundred and thirty-one in commission for one year.

Mr. KELLEY. We have not that many and will not have that many because the engines are not acceptable. I do not think we could possibly operate more than 75 or 80 submarines next year.

Admiral PEOPLES. We have here the original figures from the Chief of Naval Operations.

Mr. KELLEY. How much is the total amount for oil?

Admiral PEOPLES. Ninety-five thousand barrels of oil.

Mr. KELLEY. To cost how much?

Admiral PEOPLES. \$365,000.

Mr. KELLEY. You can take off a quarter of that.

Admiral PEOPLES. \$90,000?

Mr. KELLEY. I think the chief made a mistake.

Mr. REED. Here is the list: Seven H's, 8 K's, 11 L's—

Mr. KELLEY (interposing). Are the S boats included?

Mr. REED. Yes, sir.

Admiral PEOPLES. Fifty-one.

Mr. KELLEY. They are not accepted yet, and probably will not be. There are some 30 or 40 in which the engines are not satisfactory.

Admiral PEOPLES. Of course, if they are rejected they will not need the oil.

Mr. KELLEY. Please put in the record the entire number of submarines, except the old ones.

Admiral PEOPLES. One hundred and thirty-one.

Mr. KELLEY. How many submarine chasers have you?

Admiral PEOPLES. Sixty.

Mr. KELLEY. What is the cost of those?

Admiral PEOPLES. We have no figures.

Mr. REED. They use gasoline.

Mr. KELLEY. They are in the gasoline item?

Mr. REED. Yes, sir.

Mr. KELLEY. Do you know how much that is?

Mr. REED. It can be computed. I have not the gasoline consumption in detail by ships.

Admiral PEOPLES. They will burn something; not very much.

Mr. KELLEY. Sixty gallons an hour apiece?

Admiral PEOPLES. I doubt if they will burn that much, 60 gallons per hour.

Mr. KELLEY. They are pretty large boats to be run by gasoline?

Admiral PEOPLES. I know they are. The details on gasoline consumption we will have to look up for you.

Mr. KELLEY. We will take that up a little later, then. What is the amount of fuel for the coal-burning dreadnaughts?

Admiral PEOPLES. One hundred and eleven thousand tons of coal per year; that is for six of them.

Mr. KELLEY. That is for the whole six?

Admiral PEOPLES. Yes, sir. They are combination coal and oil burners. They will burn 111,000 tons of coal and 2,053 barrels of oil.

Mr. KELLEY. Please just figure the cost of one?

Admiral PEOPLES. About \$270,000 per year.

Mr. KELLEY. On what basis of steaming would that be?

Admiral PEOPLES. Twenty days' steaming, I take it.

Mr. KELLEY. And 10 days in port?

Admiral PEOPLES. Yes, sir; average that per month in the year.

Mr. KELLEY. Here is a statement by Admiral Coontz, which I will read:

It should be clearly understood that a general principle governs the expenditure of fuel, which is based on a vessel spending about two days in port to one day steaming at sea.

You seem to have reversed those figures?

Admiral PEOPLES. The formula we used came from Admiral Coontz, Mr. Chairman.

Mr. KELLEY. If that were the principle for figuring the fuel, your figures would be very radically wrong?

Admiral PEOPLES. They would.

Mr. KELLEY. You figured on two-thirds when you should have figured on only one-third?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. If his statement is correct, you can cut your total in two?

Admiral PEOPLES. But the same formula, 20 days at sea and 10 days in port, was used for the estimates for 1921.

Mr. KELLEY. That is what he said.

Admiral PEOPLES. I want to make perfectly clear, so far as this estimate is concerned, how it turned out for the year 1921. The formula used in the estimates for 1921 was the same formula used for 1922.

Mr. Wood. Perhaps he is going to reverse the proposition this year and not be at sea as much as on land.

Admiral PEOPLES. The estimated expenditure was \$37,000,000 for 1921, of which \$18,640,000 has already been expended for the six months from the 1st of July to the 31st of December, 1920, which shows that the formula used was right.

Mr. KELLEY. Evidently the admiral has decided that he is going to stay in port a little more and not steam so much during these days of high-priced coal and fuel?

Admiral PEOPLES. If the fleet is cut down to the amount of steaming indicated by the formula in the testimony of the Chief of Operations—that is, two days in port and one day at sea—it will have the

effect of materially reducing this estimate, although this estimate was passed upon by his office before it was submitted.

Mr. KELLEY. This is a statement that the admiral included in his hearings; it was not an offhand statement which might have been a misspoken word, you understand, but this is a statement which he drew up in his office and put into the hearing.

Will you please revise your figures for coal, having in mind:

It should be clearly understood that a general principle governs the expenditure of fuel, which is based on a vessel spending about two days in port to one day steaming at sea.

Admiral PEOPLES. Did he say that he would follow that practice in 1922?

Mr. KELLEY. That is what he bases his calculations on; that is what he is telling you to do. You have nothing to do with running the ships; you are only the mathematician of the "firm."

Admiral PEOPLES. He has already passed on the figures which I have given you.

Mr. KELLEY. So, Admiral, when you revise the figures give me what they would be on the basis set forth in the admiral's testimony?

Admiral PEOPLES. Yes, sir.

Estimate of fuel requirements, fiscal year 1922, based on statement of the Chief of Naval Operations.

Coal, 406,575 tons, at \$7.65-----	\$3,110,298
Fuel oil, 3,649,048 barrels, at \$3.85-----	14,048,834
Gasoline, 7,744,436 gallons, at \$0.27-----	2,090,997
Maintenance and operation of coaling plants and bunkering depots-----	2,142,857
Tug and vessel hire, water, ice, etc-----	3,977,600
	25,370,586

Included in the foregoing is 1,440,000 gallons of gasoline for 60 subchasers and Eagle boats at \$388,800.

The estimated requirements as given above make due allowance for the quantity of fuel which will be required for steaming 10 days under normal conditions—100 miles per day—and for port consumption for 20 days.

Mr. Wood. He has saved quite a little money?

Admiral PEOPLES. I think about \$12,000,000.

Mr. KELLEY. He has laid the foundations for the calculation and you can make quite a reduction from this amount because he says this cruise is more expensive than remaining at home.

Admiral PEOPLES. The fact remains that if the fleet will be so managed during 1922 that it will spend on an average two days in port and one day at sea the estimated fuel consumption would be materially less than the figures which were first submitted.

Mr. KELLEY. They will be cut in two?

Admiral PEOPLES. They (the steaming-fuel consumption) would be cut in two.

Mr. KELLEY. What was the total amount you gave for the fleet in commission?

Admiral PEOPLES. \$26,771,295.

Mr. KELLEY. Divide that by two.

Admiral PEOPLES. \$13,385,648.

Mr. KELLEY. Please add to that the ships in reserve and in reduced commission?

Admiral PEOPLES. We have not them separately, sir.

Mr. KELLEY. You can get that figure by taking the \$26,000,000 from the total?

Mr. REED. That includes the vessels in reserve; they are all indicated in this detailed statement.

Mr. KELLEY. Probably that would not run into a very large sum of money?

Admiral PEOPLES. It amounts to \$2,960,350.

Mr. KELLEY. What does?

Admiral PEOPLES. For those in reserve, for ships in reserve.

Mr. KELLEY. That should come out of the \$26,771,295 before we divide it by two?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That would make \$23,810,945 for the active fleet?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. That was based on 20 days at sea when it should have been 10 days, according to the statement of Admiral Coontz?

Admiral PEOPLES. Yes, sir. That gives \$11,905,472.

Mr. KELLEY. And add the \$2,960,550 to that?

Admiral PEOPLES. Making a total of \$14,865,823.

Mr. KELLEY. A total of \$14,865,823 for fuel for all the ships both in commission and in reserve?

Admiral PEOPLES. Yes, sir. On the basis of two days in port and one at sea.

Mr. KELLEY. On the basis that Admiral Coontz put in the record, two days in port and one day at sea, averaging throughout the whole year?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. What other items are there besides that?

Admiral PEOPLES. Gasoline at 27 cents a gallon, \$2,090,997.72.

Mr. KELLEY. How did you arrive at the number of gallons?

Admiral PEOPLES. That is by rate of expenditure for this year. Gasoline is used for all purposes, like the maintenance of the small running boats and by various ships. There are three, four, or five of such boats, depending upon the size of the ship, and it is used for launches, etc. The only way to get at that was to take the rate of expenditure for the current year. In other words, thousands of those boats burn gasoline.

Mr. KELLEY. If the 60 submarine chasers were put in operation how much of this gasoline would they account for?

Admiral PEOPLES. I will have to put that figure in the record, Mr. Chairman: they are excessively high fuel consumers.

Mr. KELLEY. With no military value?

Admiral PEOPLES. Comparatively little, I understand, as such. They are used for miscellaneous purposes around the navy yards at the present time.

Mr. KELLEY. These 10 cruisers which you have figured on, have you a list of the 10 cruisers you have provided fuel for?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Are they oil or coal burners?

Admiral PEOPLES. They are all coal burners.

Mr. REED. I think I have a list of the proposed cruisers here. The original estimate called for the *Birmingham, Chester, Salem,*

Charleston, St. Louis, and scout cruisers 1 to 10. The new plan provides for putting these vessels out of commission, 8 of the 10 completed.

Mr. KELLEY. You provide fuel for eight, scout cruisers for the whole year?

Admiral PEOPLES. No, sir; for various periods, two for one year, three for six months, one for nine months, one for three months, and one for one month.

Mr. KELLEY. The *Birmingham, Chester, Salem, Charleston*, etc., will be kept in commission?

Admiral PEOPLES. At the present time the *Birmingham, Chester, Salem, Charleston*, and *St. Louis*. That was the original program, the light cruisers to come in and to place the older ones out of commission. If the others do not come in they will presumably continue them. The total is eight cruisers estimated to burn fuel during the year, in other words.

Mr. KELLEY. They are going to keep the old cruisers in commission?

Admiral PEOPLES. For varying periods.

Mr. KELLEY. You would not use that amount for two cruisers for one month?

Mr. REED. The estimate is for one year. The original statement shows that seven had 168,000 tons.

Mr. KELLEY. He probably figured on keeping the old ones in commission.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Because the new ones burn oil.

Admiral PEOPLES. My recollection of those new ones is that they do burn oil. Those cruisers are just enlarged destroyers, anyway.

Mr. KELLEY. You do not know how much you could take out of this estimate if you eliminated 60 subchasers?

Admiral PEOPLES. I could not give that data now.

NOTE.—The amount is \$388,800.

Mr. KELLEY. How much do you say that the 30 submarines that will not be in commission will use for fuel?

Admiral PEOPLES. About \$90,000.

Mr. KELLEY. There is not any very accurate way of figuring gasoline, except from the way it has been used?

Admiral PEOPLES. That is all; because there are thousands of small boats that are using it.

Mr. KELLEY. Who regulates that?

Admiral PEOPLES. That is done by the commanding officer of the ship.

Mr. KELLEY. It is just used for the fleet?

Admiral PEOPLES. It is just for the fleet.

Mr. KELLEY. Does this include gasoline for aviation?

Admiral PEOPLES. We wanted to get it in there, but it was decided to make no change in the present practice. That came up in the council meeting.

Mr. KELLEY. Does this buy gasoline for automobiles?

Admiral PEOPLES. No, sir.

Mr. KELLEY. This is just for gasoline for the ships attached to the fleet or at navy yards?

Admiral PEOPLES. The wording of the appropriation is, "coal and other fuel for steamers' and ships' use."

Mr. KELLEY. This is quite a big gasoline bill, is it not?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. How many ships are there of this kind?

Admiral PEOPLES. Each battleship has five gasoline burners; the cruisers have about three; and the smaller vessels have one.

Mr. Wood. Why do they need so many of these boats?

Admiral PEOPLES. In handling business on shore, getting liberty parties on shore, and going back and forth. Each boat will carry about 40 men. A liberty party of 200 men is sent on shore, and the ship may be lying some distance off. They are also used in carrying stores and supplies from ship to ship.

Mr. Wood. Do they take those boats on board the ship?

Admiral PEOPLES. Yes, sir; they lift them right up with the boat crane.

Mr. KELLEY. This seems a rather large amount of gasoline as compared with the amount of coal. Is there any check at all on the amount of gasoline used, or does each officer, regardless of the amount of the appropriation, use the launches as he sees fit?

Admiral PEOPLES. There is nothing except the injunction sent out to keep the fuel consumption down to the minimum.

Mr. KELLEY. That would not be much.

Admiral PEOPLES. That is a matter that must necessarily be left largely in the hands of the commanding officer. There is no way of restricting it, and it must depend entirely upon the discretion of the commanding officer.

MAINTENANCE OF COALING PLANTS AND BUNKERING DEPOTS.

Mr. KELLEY. Give us the details of the item for maintenance of coaling plants and bunkering depots.

Admiral PEOPLES. We have the items according to the original basis of 143,000 men, and by reducing that in proportion down to 100,000 men, we arrived at the total of \$2,142,857. The items according to stations are as follows: Portsmouth, N. H.—

Mr. KELLEY (interposing). It will not be necessary to read that. Suppose you put that in the record.

Maintenance and operation of fuel depots.

Portsmouth, N. H.	\$43, 400
Boston, Mass	123, 600
Melville, R. I.	130, 000
New York, N. Y.	280, 000
Philadelphia, Pa	32, 200
Norfolk, Va	464, 800
Charleston, S. C	58, 400
Key West, Fla	44, 350
Tiburon, Calif	118, 800
Puget Sound, Wash	41, 800
San Diego, Calif	78, 200
Pearl Harbor	118, 400
Washington, D. C.	9, 800
Pichilinque Bay, Mexico	5, 780
Guantanamo	88, 500

Cavite-Olongapo, P. I.	\$96,006
Temple Farms, Yorkton, Va.	202,000
Miscellaneous small stations	206,827
Total	2,142,857

The maintenance charges are estimated at 80 per cent, due to necessity of holding force intact and ready for service at all times as a matter of military policy.

If all fuel receipts and issues were suspended for a period of, say, a year, the upkeep cost of the plants to prevent deterioration would be about 10 per cent.

Admiral PEOPLES. The total was originally \$2,500,000 on the basis of a Navy of 143,000.

Mr. KELLEY. This is for labor and material charged altogether?

Admiral PEOPLES. Yes, sir. This is for the maintenance and operation of coaling plants and bunker depots, including the handling of coal and oil which is delivered at each one of these points for issue to the ships basing at these points. The stations are as follows: Portsmouth, N. H.; Boston, Mass.; Melville, R. I.; New York; Philadelphia; Norfolk; Charleston, S. C.; Key West, Fla.; Tiburon, Calif.; Puget Sound; San Diego; Pearl Harbor; Washington, D. C.; Pichilingue Bay, Guantanamo, Cavite-Olongapo; Temple Farms, Yorktown, Va.; and some small stations.

Mr. KELLEY. That includes the common labor?

Admiral PEOPLES. Yes, sir; and skilled labor.

Mr. KELLEY. And the upkeep of the plant?

Admiral PEOPLES. Yes, sir. The total is \$2,142,857.

Mr. KELLEY. Certain deductions will be made for that on account of your scale for labor?

Admiral PEOPLES. It is prorated approximately as follows: Labor is approximately 50 per cent; consumable supplies, 25 per cent; spare parts and replacements, 15 per cent; and overhaul about 10 per cent. The principal items which go to make up the labor expense are quartermen, leading men, blacksmiths, boiler makers, carpenters, crane-men, coal handler, electricians, engineers, firemen, gear tenders, laborers, machinists, riggers, ship smith, stevedores, storemen, power men, and watchmen. The item of consumable supplies covers such items as coal, water, oil, waste, grease, cable dressing, boiler compounds, blacksmith's coal, harden-compound, charcoal, coke, bolts and nuts, sheet metal, light and lantern globes, bunker lamps, etc. The item of spare parts and replacements cover such items as power parts, motor and crane parts, boiler and engine spares, grate bars, steam launch, gas-engine parts, and electrical-motor parts, generator parts, spare armatures, spare-field coils, piping for fire and steam mains and sewer piping, wire-hoisting cables, trolley wires, etc. The item of overhaul covers paint, paint oils, varnishes, special grease, special engine packings, hammers, bars, chisels, wrenches, files, etc.

The CHAIRMAN. That would be \$2,142,957 if the whole amount were allowed?

Admiral PEOPLES. Yes, sir.

TUG AND VESSEL HIRE, WATER, ICE, ETC.

Mr. KELLEY. Take the item of water, ice, tug and vessel hire, and miscellaneous.

Admiral PEOPLES. That amounts to \$3,972,600, itemized as follows: One million gallons of water amounting to \$15,000. This water is re-

quired for vessels without evaporators or on ships where evaporating plants are inadequate to provide sufficient water for drinking, cooking, boiler feed, and general use. The price, as estimated, is an average of the cost prevailing in United States ports and at distant stations.

Twenty million pounds of ice, amounting to \$100,000. Ice is required for cooling drinking water on vessels without ice machines or where ice-making facilities are insufficient. Such vessels include all of the small type on which the demand is particularly heavy during operations in southern waters. The estimated unit price has been arrived at by averaging the approximate cost at various home and distant ports.

Tug hire, amounting to \$25,000: This item provides for the employment of tugs for purpose of shifting barges between anchorages, loading piers, and vessels, expenditures to be restricted to cases where Navy tugs are not available.

Vessel hire covers the charter hire of vessels for the transportation of coal from Hampton Roads in approximately the following quantities: To east coast yards and stations, 360,000 tons, \$1,016,400; to Pacific coast yards and stations, Pearl Harbor, and the Philippines, 188,000 tons, \$2,310,000. That item was originally \$4,862,400, but it was cut to \$3,837,600. Provision is also made for the services of tankers as may be required from time to time, it being estimated that the aggregate amount needed for this purpose will be \$1,536,000, which covers the employment of two tankers for the entire year. It is anticipated that services of these tankers will be required in part for the transportation of crude oil from Mexico to refining centers.

Mr. KELLEY. Where do you get them?

Admiral PEOPLES. From the Shipping Board.

Mr. KELLEY. You have to pay for them?

Admiral PEOPLES. Yes, sir. An illustration of that came up the other day: Under the contract, fuel oil could be obtained at Hampton Roads for \$3.65 per barrel, while the Port Arthur price was \$2.40 per barrel. A tanker could be chartered from the Shipping Board at 61 cents per barrel, and, therefore, the department decided to charter a tanker from the Shipping Board, which meant a saving of 65 cents per barrel, or \$25,000 on the whole cargo.

Mr. KELLEY. It does seem strange, with all the ships you have in the Navy, that you will have to spend \$3,326,400 for the charter hire of vessels. Under whose department would the hiring of these vessels come?

Admiral PEOPLES. It is done jointly with Operations. There is no coal on the Pacific coast that is suitable for burning in the vessels of the fleet out there, and coal must be shipped from Hampton Roads to Honolulu, Mare Island, Tiburon, and Puget Sound. It is shipped from there to the vessels of the fleet as they need it. The British Columbia coal, the State of Washington coal, and the Utah coal are of inferior quality for this purpose.

Mr. KELLEY. You have to charter ships to carry coal out there?

Admiral PEOPLES. In addition to the naval colliers and naval oilers that are available for the purpose. They are kept busy all the time, but in addition to them merchant ships must be chartered wherever they can be picked up, or from the Shipping Board, for that purpose.

Mr. KELLEY. This is on the basis of steaming 20 days and remaining 10 days in port?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. On the basis of 10 days steaming and 20 days in port, what would this figure be?

Admiral PEOPLES. That would have to be figured out, and it would depend upon what vessels are in the Pacific Fleet.

Mr. KELLEY. Are those ships oil burners or coal burners?

Admiral PEOPLES. They are a combination of both.

Mr. KELLEY. In dividing up the fleet, did they send coal-burning vessels to the Pacific coast and keep the oil burners on the eastern coast?

Admiral PEOPLES. There have always been coal burners on the western coast.

Mr. KELLEY. In dividing the fleet, was there any reason why you should not put coal burners on the Atlantic and the oil burners on the Pacific?

Admiral PEOPLES. The department itself divided the fleet.

Mr. KELLEY. Did they not stop to consider that it would be necessary, in the event they sent the coal burners out there, to have coal shipped for their use from the East?

Admiral PEOPLES. I would like to figure this out by using that revised formula for fuel consumption to see how it will affect shipments of coal and oil to points on the Pacific.

Mr. KELLEY. Could you not do that offhand? It seems to me that you could pretty nearly arrive at it.

Mr. Wood. The railroads out in that country use a lot of oil.

Admiral PEOPLES. The Southern Pacific uses coal and the Santa Fe uses oil.

Mr. KELLEY. How much coal would you have to ship from Hampton Roads?

Admiral PEOPLES. One hundred and eighty-three thousand tons. That was the maximum figured on the basis of 143,000 men. That coal goes to the Philippines and Honolulu. Of course the shipments going to Honolulu are for the purpose of accumulating a stock there, in addition to providing for the consumption. The idea is to try to maintain a stock of coal at Honolulu of approximately 150,000 tons.

INVESTIGATING AND DEVELOPING COAL FIELDS IN ALASKA.

Mr. KELLEY. You have never made any progress in getting coal out of Alaska?

Admiral PEOPLES. The bill for two years has carried an item of \$1,000,000 for the purpose of investigating and developing the coal fields in Alaska—that is, the Bering River and Matanuska districts. Last year the Secretary of the Navy went up personally and investigated the situation. We have now a working agreement with the Department of the Interior, or the field management of the Alaska Railroad Co., for the getting of certain coal out, but that is simply at the beginning.

Mr. KELLEY. For practical purposes, it will not help this year?

Admiral PEOPLES. No, sir.

Mr. REED. That item of \$1,000,000 for the investigation of Alaska coal should be added to the regular coal appropriation.

Admiral PEOPLES. From the outcroppings we believe that it will be very excellent coal. It was used on the *Maryland* a few years ago in actual steaming, and it was found to have an efficiency of about 92 per cent, as compared with Pocahontas coal.

Mr. KELLEY. Do you hire any oilers to bring oil from the other side this way?

Admiral PEOPLES. No, sir. We get it from Port Arthur principally for this side.

Mr. KELLEY. The major part of this item of \$3,972,600 is for tug and vessel hire?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. And that is made necessary very largely by the need of carrying coal from Hampton Roads to the Pacific Fleet?

Admiral PEOPLES. Yes, sir; to the Pacific coast stations, and for the accumulation of stocks out there. It is not all for consumption, but it is also for the purpose of accumulating stocks there as military reserves of fuel.

Mr. KELLEY. If the fleet were organized in such a way that the coal-burning ships were here on the Atlantic and the oil-burning ships on the Pacific, a vast amount of transportation of both coal and oil could be saved, could it not?

Admiral PEOPLES. I would prefer to look into the character of the vessels out there before answering that, because I know that there are in the list a lot of oil burners.

Mr. KELLEY. The fact seems to be that all of the oldest ships that we have are farthest away from home, or are as far away as they can be, and those ships are coal burners.

Admiral PEOPLES. No, sir; I think the contrary is true. Most of the ships in the Pacific are oil burners.

Mr. KELLEY. Practically every ship in the Asiatic Fleet is away off, and you have to carry coal halfway around the world for those coal burners. Every one is a coal burner.

Admiral PEOPLES. That is true.

Mr. KELLEY. Then, what I said at first is true. The oldest ships that we have are coal burners, and they are the ones that are farthest away from home, or they are in places where coal must be carried the greatest distance in order to reach them.

Admiral PEOPLES. They are stationed out there because they have lost their military value. It amounts to only 26,000 tons of coal shipped to the coal depot at Cavite.

Mr. KELLEY. Where do they get the rest of it?

Admiral PEOPLES. They buy it in China and Japan.

Mr. KELLEY. At how much more cost?

Admiral PEOPLES. That is dependent upon what the current market rates are; but we have always been able to lay down coal at Manila cheaper than we have been able to buy it out there. We have been able to lay down Pocahontas coal at Manila at \$5.15 per ton, including the transportation.

Mr. KELLEY. This is really a question of administration, largely, or you can make this coal item as much as you want to if you distribute the ships around so as to cause more or less transportation of fuel. That is dependent upon the distribution of the ships.

Admiral PEOPLES. Carried to the final analysis, if all the ships were simply tied up alongside the docks they would not burn any coal. Referring to the identity of the Pacific Fleet, there is the *New York*, which is a combination coal and oil burner; the *Wyoming*, which is a combination coal and oil burner; the *Arkansas*, which is a combination coal and oil burner; and the *Texas* is a combination coal and oil burner. The *New Mexico*, the *Tennessee*, the *Idaho*, and *Mississippi* are straight oil burners.

Mr. KELLEY. Four oil burners and five coal burners.

Admiral PEOPLES. Four are oil burners and four are coal and oil burners. The destroyers that are out there are oil burners, every one of them.

Mr. KELLEY. Then, I do not see why you would have to spend so much money taking coal out there.

Admiral PEOPLES. That is only 183,000 tons of coal out of a total of 894,000 tons that are to be shipped out there. The supply ships, repair ships, and hospital ships burn coal.

Mr. KELLEY. The hospital ships are new ships.

Admiral PEOPLES. They burn 14,000 tons of coal. The hospital ships are the *Mercy* and the *Comfort*. It looks to me as if the identity or the character of the units in the Pacific Fleet is about as good as you could expect.

Mr. KELLEY. I hope so. That is not true of the Asiatic Fleet.

Admiral PEOPLES. To send out to Asiatic waters nothing but oil burners would be inadvisable.

Mr. KELLEY. Those ships out there have about 3,000 men on them besides. You do not have anything to do with determining where the ships shall go?

Admiral PEOPLES. No, sir.

Mr. KELLEY. But you are expected to furnish the fuel according to the orders of the officers of the Navy?

Admiral PEOPLES. The policy with respect to maneuvers and the management of the fleet comes squarely under the jurisdiction of the Secretary of the Navy and Chief of Naval Operations.

Mr. KELLEY. That makes a total of \$23,007,377, if we allow the full amount under each of the subheads indicated in your statement?

Admiral PEOPLES. Yes, sir.

Mr. REED. In addition to that, we were directed to provide \$1,000,000 for the development of fuel in Alaska, and we had expected that with these estimates as prepared it would not be necessary to include it as a separate item; but with the cuts that are proposed there will not be sufficient latitude for the development of coal in Alaska, and \$1,000,000 should be allowed as a separate item for the continuance of the Alaska coal project. That should be added to the figures you have there.

Mr. KELLEY. Have you spent each year that amount in Alaska?

Mr. REED. There were no funds available there last year. Although authority was given, it was given with the authority to spend this money under these subheads. This year is the first year that we finally went ahead with the work.

Mr. KELLEY. This year you had a good balance?

Mr. REED. We started out at the beginning of the year before the \$10,000,000 had been spent. We have not gotten a report from the Bureau of Mines as to how the expenditures are going under that.

Mr. KELLEY. What are you doing with the money?

Admiral PEOPLES. They are going ahead with development work at some of the mines.

Mr. KELLEY. How much coal could you get out if we put in \$1,000,000 for it?

Admiral PEOPLES. Very little for a long time to come. It would have to be pioneer work in the establishment of running drifts, tipples, etc.

Mr. KELLEY. Is this the proper department of the Government to be experimenting with the mining of coal—the Navy Department? I thought the Department of the Interior had charge of all our public lands?

Admiral PEOPLES. They are doing the work for the Navy.

Mr. KELLEY. Why not let them get the money?

Admiral PEOPLES. They got the money for the Alaskan Railroad. This item was inserted by the Senate originally about four years ago.

Mr. KELLEY. Will you put in the record a complete statement showing the expenditures out of this \$1,000,000 to date, and also the expenditures last year, if there were any?

Admiral PEOPLES. There were no expenditures last year.

Mr. KELLEY. Also a statement showing what you propose to do and what the general prospects of the development are.

Mr. FRENCH. I think it would be well to couple with it a statement to the effect that while authorizations have been made heretofore, nothing has been spent prior to this year.

Admiral PEOPLES. Very well.

Memorandum of expenditures under appropriations for the development of Alaskan coal fields.

The naval act approved July 1, 1918, provided that \$1,000,000 of the amount appropriated under "Fuel and transportation" for the fiscal year 1919 could be used in mining coal in Alaska and for other expenses in connection with transportation and construction of coal bunkers and necessary docks. No expenditures were made under this appropriation.

The naval act approved July 11, 1919, provided that \$1,000,000 of the appropriation "Fuel and transportation" for the fiscal year 1919 might be expended during the fiscal year 1920 in mining coal in Alaska, for transportation, and for construction of coal bunkers and docks. In view of the fact that the entire amount appropriated under "Fuel and transportation, 1919," was expended for the purchase and transportation of fuel, no work was undertaken under this authority.

The naval act approved June 4, 1920, provided that \$1,000,000 of the amount appropriated under "Fuel and transportation, 1921," should be available for use in mining and contracting for coal in Alaska, for transportation, and for construction of coal bunkers and docks. Under this authorization the following expenditures have been made in developing Alaskan coal fields:

Services and supplies furnished by Interior Department.....	\$26,702.04
Fuel for vessels.....	3,479.05
Air compressor.....	5,750.00
Locomotive boiler.....	11,100.00
Boiler and parts.....	3,227.50
Services of guides and pack horses.....	84.75
Printing.....	5.00
Miscellaneous.....	334.93
 Total expenditures reported to date.....	50,683.27
Unexpended balance	949,316.73
 Total.....	1,000,000.00

There are unpaid obligations outstanding against the unexpended balance of \$949,316.73 as follows:

Purchase of coal	\$759.60
Purchase of fuel oil	20,850.75
Purchase of gasoline	2,625.00
File indexes, etc.	10.00
Services of geologist	2,000.00
 Total	 26,245.35

Deducting the outstanding obligations of \$26,245.35 from the unexpended balance of \$949,315.73 leaves the balance of \$923,071.38 available for expenditure in the further development of these fields.

JANUARY 28, 1921.

From: Chief of Naval Operations.

To: Chief of Bureau of Supplies and Accounts.

Subject: Navy Alaskan Coal Commission activities beyond June 30, 1921.

1. In accordance with the requirements of the act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes, the Navy Alaskan Coal Commission has been in the field since the beginning of the fiscal year with the mission to determine the probable quantity of minable coal in the Chickaloon coal district of the Matanuska coal field, the facilities for the transportation of this coal to tidewater, and the best location for terminal facilities to place the product of this district at the service of the Navy.

2. It is expected by June 30, 1921, all building construction and installation of mining equipment will be completed. Diamond drilling to support geological data will be started in the early spring. Estimate by the geologist of the commission of the quantity of coal in the Coal Creek area is possibly as much as 15,000,000 tons, which coal may possibly be proven by the diamond drill search to be more economically mined than the present Navy coal mine at Chickaloon, the geological faults in which are eccentric and exaggerated.

3. Because diamond drilling is more or less progressive, it is impossible to set a definite date for the termination of the work, but it is hoped to have fairly complete information covering the proving of the Coal Creek and Kings River areas by the late fall of 1921. In the meantime the mapping of stratigraphic and structural sections of other concerned areas in the immediate vicinity of the railroad will be continued, in preparation for further diamond drilling.

4. Information is being obtained to determine the best location for the terminal facilities in connection with the transshipment of this coal, particularly concerning the availability of terminal facilities during the so-called closed season. For instance, if it is practicable to utilize the terminal facilities at Anchorage during the closed season, the difficult and expensive haul from Anchorage to Seward will be obviated.

5. In view of the value—strategic, tactical, and economical—to the naval service and the American merchant marine of an adequate supply of good quality steam coal, this reconnaissance should be continued during the next fiscal year, because the character of the country and present prospecting and leasing laws of the Territory do not give promise of attracting private prospectors in sufficient numbers to make probable the discovery of suitable fuel fields. It is therefore recommended that the provision made in the current appropriation bill be repeated, making available \$1,000,000 of the appropriation for "use in the discretion of the Secretary of the Navy in mining coal, the contracting for the same in Alaska, the transportation of the same, and the construction of coal bunkers and the necessary docks for use in supplying ships therewith; and the Secretary of the Navy is hereby authorized to select from the public coal lands in Alaska such areas as may be necessary for use by him for the purposes stated herein."

CHARTER HIRE OF VESSELS FROM UNITED STATES SHIPPING BOARD.

Mr. KELLEY. I notice in last year's bill this proviso:

Provided, That the United States Shipping Board shall not require payment from the Navy Department for the charter hire of vessels furnished or to be furnished from July 1, 1918, to June 30, 1921, inclusive, for the use of that department when such vessels are owned by the United States Government.

Admiral PEOPLES. That is only on the bare boat basis. If the Shipping Board turns over to the Navy Department a bare ship—that is, a ship out of commission—and that ship is manned and put into operation, in that event there is no charge made by the Shipping Board for the charter hire of the vessel, but all of the Shipping Board's vessels are now in what they call full commission.

Mr. KELLEY. Where do you get the language to make that distinction? The language seems to be very clear that the United States Shipping Board "shall not require payment from the Navy Department for the charter hire of vessels furnished or to be furnished," etc.

Mr. REED. At the time the language was put in it was intended to cover that condition—I mean that was understood; in other words, when the Shipping Board was paying out its funds to operate a ship, keep it in repair, and make an occasional trip for us, there was no intention that they should not be reimbursed for the actual money they paid out; it was only intended to apply to those cases where they turned over a vessel to us and we manned it and ran it.

Mr. KELLEY. Was not this the intention: That if the Shipping Board had oil tankers and you needed them that they should turn their tankers over to you without charge, because the Government owned them anyhow, and it was only a bookkeeping transaction, just simply charging them on the books to the Navy and letting them stand there without any money transaction?

Admiral PEOPLES. I wish the Shipping Board could be compelled to do that.

Mr. KELLEY. It should be compelled to do it, should it not?

Admiral PEOPLES. Because as the law now stands the Shipping Board can refuse, and they have refused.

Mr. KELLEY. And leased them to private corporations?

Admiral PEOPLES. Yes, sir; and the Navy has to go into the market and charter a vessel at a higher rate. There is nothing mandatory with respect to the law as to what the Shipping Board shall do.

Mr. KELLEY. That is, they can withhold the charter from you?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. But if they do let you have it, they can not charge you for it under this language?

Admiral PEOPLES. That is right. If it is just a question of turning it over to the Navy, they can not charge us for it.

Mr. FRENCH. I think it ought to be mandatory to let you have it, but I am still to be convinced that the Navy ought not to be charged. It seems to me the Shipping Board is just as ambitious that it shall make a good showing as the Navy, and it is handicapped, to some extent, in its ability to make a good showing if those ships were used without compensation. It does not cost the Government more either way, but it is a question of which institution under the Government should be charged with that expense.

Admiral PEOPLES. During the war there was an agreement entered into by which certain tankers were to be constructed by the Navy for the Shipping Board; that agreement was later on changed by which the Navy was to retain control of those tankers and later on changed by which the tankers went to the Shipping Board, and right along the Navy has had the greatest difficulty in securing any tankers from the Shipping Board, whether we would pay for them or not.

Mr. FRENCH. I think the Navy ought to have the preference, but it seems to me that in order to know what the cost of the Navy is and also what the administration of the Shipping Board amounts to, that it is perfectly proper that whatever service the Shipping Board renders for the Navy should be compensated for at least on the books.

Admiral PEOPLES. Yes; I think that is so. The Navy would prefer that the vessels be turned over outright on the bare-ship basis without cost to the Shipping Board, and be run and managed out of naval appropriations.

MAINTENANCE AND OPERATION OF COALING PLANTS AND BUNKERING DEPOTS.

Mr. KELLEY. Going back for just a moment to the item of maintenance and operation of coaling plants and bunkering depots, \$2,142,857, if you take into account all the navy yards and naval stations, training schools, and all that sort of thing, how would the coal depots compare with the aggregate of all the other naval institutions on shore in the matter of requirements for maintenance and repair?

Admiral PEOPLES. Very economically.

Mr. KELLEY. Suppose you had to repair and maintain all the navy yards, docks, wharves, piers, training stations, and operating bases on the Atlantic and Pacific, how many times as much money would you want to do it than if you were merely contracting to take care of the coal depots?

Admiral PEOPLES. That is a rather complicated question.

Mr. KELLEY. It is not a large institution, as compared with all the rest?

Admiral PEOPLES. No, sir; it is a small and minor activity.

Mr. KELLEY. If we allow Yards and Docks \$9,000,000 for the maintenance and repair of all the other naval stations in the United States, why should we allow you \$2,000,000 for the maintenance and repair of these coaling plants?

Mr. RED. We are not asking for that; we are asking for the maintenance and operation, and that includes the handling operations from the ship to shore and to the piles, and then from the shore back to the ships; they are the handling charges of the fuel as well as the maintenance and upkeep of the plants.

Mr. KELLEY. Then we should have that item divided.

Admiral PEOPLES. On the basis of the original estimate of \$2,500,000, which must be reduced about four-fourteenths in each case, the original estimate for Portsmouth was \$48,000; Boston, \$141,000.

Mr. KELLEY. How is that divided between operation and maintenance?

Mr. REED. We do not make a division between maintenance and operation, one reason being this, that there are certain employees that have to be there at all times in connection with the actual and physical handling of the fuel, and when they are not engaged on that they are making minor repairs and adjustments in keeping up the appliances. So that we do not maintain a separate and distinct force for maintenance and for operation.

NUMBER OF EMPLOYEES.

Mr. KELLEY. How many employees are in these depots?

Mr. REED. I have that information at the office, but not here.

Number of employees at naval fuel depots and coaling stations Dec. 31, 1920.

Naval yard, Boston, Mass.	45
Naval fuel depot, South Boston, Mass.	22
Naval fuel depot, Constable Hook, N. J.	54
Naval fuel depot, Charleston, S. C.	22
Navy yard, Charleston, S. C.	6
Naval fuel depot, Cavite, P. I.	139
Naval fuel depot, Guantnamo Bay, Cuba.	25
Naval station, Key West, Fla.	44
Naval fuel depot, Melville, R. I.	60
Navy yard, Mare Island, Calif. (Fifth naval district)	20
Naval fuel depot, Newport News, Va.	14
Naval fuel depot, Sewalls Point, Va.	15
St. Helena oil station	8
Naval operating base	2
Central fuel office	5
Navy yard, New York	15
Naval fuel depot, Olongapo, P. I.	39
Naval fuel depot, Pearl Harbor, Hawaii	37
Navy yard, Portsmouth, N. H.	10
Navy yard, Puget Sound, Wash.	37
Navy yard, Philadelphia, Pa.	12
Naval fuel depot, Pichilnque Bay, Mexico.	5
Naval fuel depot, San Diego, Calif.	57
Naval fuel depot, Tiburon, Calif.	52
Naval fuel depot, Yokohama, Japan	2
Naval fuel oil tank farm, Yorktown, Va.	18
Total	765

Mr. KELLEY. Does it not strike you as being a large item for so small an activity when you compare it with the upkeep of all these buildings and grounds, as well as stations, under Yards and Docks?

Admiral PEOPLES. You take Tiburon; the plant there cost \$1,500,000, the coaling plant.

Mr. KELLEY. At the Philadelphia Navy Yard about \$34,000,000 was put in during the war.

Admiral PEOPLES. But the item of maintenance, under Yards and Docks, to maintain those buildings, in so far as the appropriation is concerned, does not represent by any means the total of money spent.

Mr. KELLEY. But they maintain everything of a movable character. They maintain all the automobiles and they maintain the cranes.

Admiral PEOPLES. The most expensive thing for them is the power plant.

Mr. KELLEY. They maintain the locomotives.

Admiral PEOPLES. Which is charged up against the other appropriations.

Mr. KELLEY. They maintain the docks, wharves, buildings, grounds, and railroad tracks, and it seems as though the maintenance of that one station would be as much as all your coal depots put together—that is, the matter of maintenance—because I do not know how much you are putting into operation. This looks like a very excessive item.

Admiral PEOPLES. For example, the maintenance cost at Tiburon is \$136,000. The way we get at it is the per ton basis, which gives us a better idea as to whether the plant is an expensive plant or not.

Mr. KELLEY. I imagine these coal depots are built in the most modern fashion.

Admiral PEOPLES. Some are and some are not; it depends on the conditions prevailing at the time. One hundred and twelve thousand dollars is required for the maintenance and operation of the coaling plant at Tiburon, and Tiburon handles about 54,000 tons of coal—that is, coal issued—and a similar amount or more is handled into the plant, or over, say, 100,000 tons of coal, at a cost of about \$112,000; in other words, about 50 cents a ton for handling.

Mr. KELLEY. Do you know how long it would take to handle it?

Admiral PEOPLES. It would depend on the size of the vessel. Take a 10,000-ton ship. She will discharge at about the rate of 100 tons an hour, which would mean for 12 hours 1,200 tons; so that it would take, roughly, nine days to discharge that one ship.

Mr. KELLEY. That is, to unload it?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Who takes the coal off?

Admiral PEOPLES. The Navy does.

Mr. KELLEY. And that is paid for out of this appropriation?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. How many men does it take to run the machinery and plant?

Admiral PEOPLES. I think it takes about 60 men to run the plant at Tiburon.

NUMBER OF PLANTS.

Mr. KELLEY. How many of those plants have you altogether?

Admiral PEOPLES. We have Tiburon, Honolulu, Puget Sound, Newport News, Sewells Point, Bradford, Constable Hook, San Diego, and Boston: then there are small plants—one in the Philippines and one at Frenchmans Bay.

Mr. KELLEY. But the one at Frenchmans Bay is up in the forest, and you have to go up there on horseback.

Admiral PEOPLES. You might leave that out, because the cost there is merely the cost of caretakers.

Mr. KELLEY. Is there somebody watching that place?

Admiral PEOPLES. Yes. Then there is Cavite and Pichilinque Bay: it costs us there \$5,700 a year, and there is practically no coal issued at all out of there and has not been for years, but it is regarded as necessary, from a military viewpoint, to hold on to this concession, which was granted to the United States about 15 or 16 years ago by Mexico.

Mr. KELLEY. About how many places have you altogether?

Admiral PEOPLES. Seventeen.

Mr. KELLEY. Will they average five men?

Admiral PEOPLES. Oh, yes.

Mr. KELLEY. Ten men? I should think those small places would only have two or three men at them.

Admiral PEOPLES. No; they are not small; the only small place is at Pichilinque Bay; that is the only one.

Mr. KELLEY. How many will they average?

Admiral PEOPLES. It depends entirely on the size of the plant.

NOTE.—The average at the 17 larger stations is 50 employees per station.

Mr. REED. The number of employees varies from time to time.

Admiral PEOPLES. And it depends on the amount of coal handled in and out of the plant.

Mr. REED. There are certain employees that have to be kept all the time.

Mr. KELLEY. How much have you spent this year to date for maintenance and operation?

Mr. REED. \$1,492,000.

Mr. KELLEY. In six months?

Mr. REED. Yes.

Mr. KELLEY. If you can, I wish you would insert in the record a division of these items.

Admiral PEOPLES. Very well.

TRIMMING AND MISCELLANEOUS.

Mr. KELLEY. What is this item of trimming and miscellaneous, 50 cents?

Admiral PEOPLES. The item of trimming comes in this way: When a collier is under the chutes at the coaling pier the coal is dumped from the cars above, down through the chutes, into the various holds of the collier; as the coal rises in a hold it is necessary to put shovellers and trimmers in there for the purpose of shoveling it away and packing it into the corners. That is called trimming.

Mr. KELLEY. I saw a statement in the paper the other day, which purported to come from the Navy Department, to the effect that you have been buying your coal for \$3.60, although I do not know whether that is the exact amount. However, I notice you have estimated for next year a cost of \$4.15.

Admiral PEOPLES. The present price is about \$4.25.

PRICES OF COAL.

Mr. KELLEY. What was the average price last year?

Admiral PEOPLES. The prices paid from July 1, 1917, to December 31, 1920, have been as follows: Pennsylvania field, \$2.09 per net ton at the mine—that was in July, 1917; April, 1918, \$2.60 per ton in Pennsylvania, in the New River field \$2.15, and in the Pocahontas field \$2; in May, 1918, \$2.60, Pennsylvania; \$2.35, New River; and \$2 Pocahontas; July, 1918, \$2.95, Pennsylvania; \$2.70, New River; and \$2.35 Pocahontas field. Commencing with July, 1919, \$3.03 per ton

Pennsylvania field, \$2.85 per ton New River field, and \$2.85 Pocahontas field; September, 1919, \$3.03 Pennsylvania, \$2.85 New River, and \$3.06 Pocahontas. November, 1919, \$3.33 Pennsylvania, \$2.85 New River, and \$3.06 Pocahontas; December, 1919, \$3.33 Pennsylvania, \$3.10 New River, and \$3.06 Pocahontas; April, 1920, \$3.79 Pennsylvania, \$3.57 New River, and \$3.57 Pocahontas; August, 1920, \$4.24 Pennsylvania, \$3.57 New River, and \$3.93 Pocahontas. December, 1920, \$4.24 Pennsylvania, \$3.93 New River, and \$3.93 Pocahontas. Those figures represent the various prices fixed by the Navy under the commandeering authority, and were based originally on the price as determined by the Fuel Administration, and have been increased from time to time to meet increases in miners' wages at the mines.

Mr. KELLEY. If you had not exercised the commandeering power, how much do you figure your price would probably have been?

Admiral Peoples. At times last summer the price at the piers in Hampton Roads ran as high as \$20 a ton, and sometimes they could not get it then.

The coal for which we are paying \$4.22 is now selling under contract at \$5. That is not the spot price; the spot price is higher. That is the best quotation.

Mr. KELLEY. When will you make your purchases of coal for 1922?

Admiral PEOPLES. The advertisements are now out and the bids will be opened, I think, the 6th of March. We will be able to determine the commercial rate by competition, if there is any competition, and we will be able to determine that fact about the 6th of March, I think, when the bids will be opened.

Mr. KELLEY. This newspaper article which I had reference to says:

The price has been reached after investigation as to costs of production, using the data obtained by the Federal Trade Commission as the basis. The prices quoted for coal sold to the Navy are \$4.24 in August and September of this year for Pennsylvania coal.

Admiral PEOPLES. That is right.

Mr. KELLEY (reading):

Three dollars and fifty-seven cents and \$3.93 for New River coal and \$3.93 for Pocahontas, the figures being per net ton.

Admiral PEOPLES. Yes, sir.

Mr. KELLEY (reading):

These prices are very little higher than those paid last April.

Admiral PEOPLES. In April the Pennsylvania price was \$3.79 and the New River figure \$3.57, which was the same in both cases; Pocahontas, \$3.57 in April, as compared with \$3.93 in August. There were increases amounting to 45 cents per ton in the Pennsylvania field and 36 cents per ton in the Pocahontas field between April and August, 1920.

Mr. KELLEY. Please put in the record a similar statement covering the prices of oil.

Admiral PEOPLES. Yes, sir.

Comparison of prices of fuel oil during various fiscal years.

Fiscal year.	Boston.	San Fran. cisco.	Gulf ports.
1917.....	\$1.80	\$0.88	\$0.85
1918.....	2.54	1.26	1.78
1919.....	3.06	{ 1.44 1.57 } 1.57	2.05
1920.....	1.75	{ 1.57 1.72 } 2.00	.88
1921.....	3.40		2.85

¹ First half.
² Second half.

NAVAL OIL RESERVES.

Mr. KELLEY. As to oil, we have some naval reserves, have we not?

Admiral PEOPLES. Naval Reserves Nos. 1, 2, and 3.

Mr. KELLEY. Where is that land located?

Admiral Peoples. Naval Reserves 1 and 2 are located in California and No. 3 is in Wyoming.

Mr. KELLEY. How much oil do you get from them?

Admiral PEOPLES. We are getting very little now. Under the general land leasing bill the people who claimed that their rights of occupancy had priority over that of the Navy have been given the right to take oil from that land, so it is only a question of a short time before that land will be drained of all the oil in it, it having a peculiar form of sandy bottom in such a way that an oil well within a reasonable distance of another oil well will draw the oil out of the pool. The Navy's policy with respect to the California reserve is to convert that oil, put it into storage as fast as we can possibly or sell it and convert it into terms of dollars and cents and turn that back to the Treasury. The Wyoming field is very well protected.

Mr. KELLEY. Is the Navy sinking wells?

Admiral PEOPLES. How far that work has gone along I am not familiar with; that comes under the Chief of the Bureau of Engineering.

Mr. KELLEY. What do you mean by the statement selling it, are you selling it at so much a barrel to any person?

Admiral PEOPLES. Under the best terms that they can get for it.

Mr. KELLEY. You are leasing the land?

Admiral PEOPLES. Yes, sir. The Wyoming field is very well protected. As I understand, there are only about three claims on it and they are individual claims.

Mr. KELLEY. Have you any wells there?

Admiral PEOPLES. No, sir; they are doing nothing in the Wyoming field that I know of.

Mr. KELLEY. The Navy is not in the oil business either in California or in Wyoming?

Admiral PEOPLES. No, sir; but we do want to continue investigation of the oil fields. There have been set aside by order of the President about 37,000 acres of shale oil land in Colorado. That is the future supply of the Navy.

Mr. KELLEY. Why do we not go ahead with that?

Admiral PEOPLES. That is a very expensive proposition and it would be inadvisable to do so when oil can be purchased at fairly reasonable commercial rates. In other words, it is cheaper to buy oil in the market than to go into the business of converting the Colorado shale into oil, establishing rollers, pressers, etc.

Mr. KELLEY. Is the price of oil influenced by disorder in Mexico and in other parts of the world? Is that the cause or is the cause an arbitrary one, the matter of arbitrarily fixing the price?

Admiral PEOPLES. The price of oil has been very largely due to the law of supply and demand. Most of the Navy oil has come from Port Arthur. Certain grades of the Tampico oils are so heavy as to make it difficult to handle them, but we are now arranging to have the Mexican oils refined or put into condition so they can be used as Navy oil at a refinery at Fall River, Mass., which is about ready for operation now.

Mr. KELLEY. What do you mean by making arrangements to have the oil refined?

Admiral PEOPLES. A contract has been entered into with a concern there to refine certain quantities of crude oil.

Mr. KELLEY. From the Mexican fields?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. You do not own the fields?

Admiral PEOPLES. No, sir.

Mr. KELLEY. How did you ever happen to make a contract for that?

Admiral PEOPLES. We had to guarantee to deliver to them certain quantities of oil in order to get them to agree to refine it for us.

Mr. KELLEY. Do they own the wells?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Who owns the wells?

Admiral PEOPLES. They buy the oil.

Mr. KELLEY. And you have made a contract to take a certain amount?

Admiral PEOPLES. The Navy furnishes transportation to their plant in Fall River. They convert the heavy Mexican oil into a Navy standard oil which we can use. We take oil and put it in the storage plants.

Mr. KELLEY. Has the Navy any refineries of its own?

Admiral PEOPLES. No, sir.

Mr. KELLEY. Has the Navy loaned any money for the erection of the refinery?

Admiral PEOPLES. According to the terms of the contract entered into with these people the Navy was to advance certain sums of money to the contractor to enable him to put up the plant, guaranteed, I understand, by a mortgage on the plant.

Mr. KELLEY. That was under the war powers, probably?

Admiral PEOPLES. Yes; under the war powers.

Mr. KELLEY. How much did you advance for the plant?

Admiral PEOPLES. About \$3,500,000.

Mr. KELLEY. That is at Fall River?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. When was that contract entered into?

Admiral PEOPLES. That contract was entered into May 4, 1920.

Mr. KELLEY. As late as that?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. From what fund did the money come?

Mr. REED. It was advanced out of the naval supply account. We purchased our fuel out of the naval supply account at that time.

Mr. KELLEY. Charged up against this appropriation?

Mr. REED. Yes, sir.

Admiral PEOPLES. The contract is for so many barrels of oil, so much gasoline to be gotten out of it, but at certain prices which were very materially below the then prevailing prices as quoted by the Standard Oil Co., the Atlantic Refining Co., and other large concerns. At that time, too, the supply of oil was so short that the Navy could not get the full amount of oil it wanted. This contract was entered into requiring the delivery of a certain quantity—I think 5,000,000 barrels, a year.

Mr. KELLEY. When do they start delivering the oil?

Admiral PEOPLES. They have made some deliveries already.

Mr. KELLEY. How much?

Admiral PEOPLES. Not very large amounts, but some.

Mr. KELLEY. Are they now in a position to furnish as much as you expected them to furnish at this time?

Admiral PEOPLES. I think they are somewhat delayed.

Mr. KELLEY. But the whole transaction is satisfactory?

Admiral PEOPLES. It is a good contract; it is a good proposition in every way.

Mr. KELLEY. They are to pay you back the investment in oil?

Admiral PEOPLES. In oil.

Mr. KELLEY. At a fixed price?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. What is that price?

Admiral PEOPLES. I think it is \$3.246 per barrel.

Mr. KELLEY. How many barrels did they agree to furnish you?

Admiral PEOPLES. I think 5,000,000 barrels are covered by the contract?

Mr. KELLEY. What part of your requirement is that?

Mr. REED. Six million will be required during 1921.

Mr. KELLEY. Do they agree to furnish 5,000,000 at \$3.25?

Admiral PEOPLES. I think that is the figure.

Mr. KELLEY. How much are you estimating for oil per barrel for next year?

Admiral PEOPLES. \$3.85.

Mr. KELLEY. We can take off \$1.60 per barrel from your estimate?

Mr. REED. We have to transport the oil.

Mr. KELLEY. That comes out of "Freight"?

Mr. REED. No; fuel transportation.

Admiral PEOPLES. There is a difference of about 25 cents or something like that a barrel in getting the oil from them under that condition.

Mr. KELLEY. That would be \$1,500,000?

Admiral PEOPLES. But that oil will be delivered and consumed by the 30th of June next.

Mr. KELLEY. After they have your money they will not hold you up for next year and only give you a one-year contract?

Mr. REED. It provides for the delivery of certain quantities within this fiscal year.

Mr. KELLEY. Was no provision made to get oil in the future at some fixed price?

Admiral PEOPLES. We can compel them to do it. That saving will be reflected in 1921.

Mr. KELLEY. I am surprised that you did not make more than a one-year contract on that kind of a deal.

Admiral PEOPLES. We can not, under the law, make a contract for more than a year.

Mr. REED. The Secretary is authorized to make contracts for such fuel as may be necessary, the contracts to be limited to the service of the particular year—section 3732 of the Revised Statutes.

NOTE.—The contract provides that the Navy Department may renew for a further period of one year for 3,000,000 barrels.

Mr. KELLEY. At \$3.25 with \$0.75 for transportation would be only \$4. What is this, \$3.85 per barrel at Fall River?

Mr. REED. No; it says \$3.25.

Mr. KELLEY. The average of \$3.25, \$3, and \$2.75 would not be \$3.85?

Mr. REED. No; but there is \$0.75 to cover miscellaneous forms of delivery at various points. In other words, we transport for bulk delivery at these different places, and we have to have deliveries at other points where the price is higher than that.

Mr. KELLEY. That is the fuel plus the \$0.75?

Mr. REED. Based on the quantity delivered at these various points. We figure the average cost of fuel oil at all points plus the \$0.75 will be \$3.85 per barrel.

Mr. KELLEY. It would not cost you \$0.75 per barrel in your own tankers?

Admiral PEOPLES. No; but in other cases it costs more than \$0.75 per barrel.

Mr. KELLEY. How many tankers have you?

Admiral PEOPLES. The total quantity will give an idea of that.

Mr. REED. Fourteen at this time.

Admiral PEOPLES. It has been necessary to charter tankers for that purpose. We have already chartered, under an arrangement with the Shipping Board, tankers to get the oil to Fall River.

Mr. KELLEY. To take the oil up there?

Admiral PEOPLES. Yes, sir.

I think I was wrong in stating the quantity at 5,000,000 barrels. I think it is 3,000,000 barrels, with a possible million barrels more, or something of that kind. I would rather refer to the terms of the contract in regard to that.

Mr. KELLEY. You figure the oil at \$3.85?

Admiral PEOPLES. Yes, sir.

Mr. KELLEY. Did your stenographer not get the figures turned around, and should it not be \$3.58?

Mr. REED. That would be figuring an equal quantity from each of the three places, compared with the estimated quantity taken from each point.

Mr. KELLEY. Please give me the exact figures of the quantities. I suppose that is the way it was prepared.

Admiral PEOPLES. The price at Gulf ports is much lower than in the North.

Mr. REED. The bulk of it is coming from Fall River, and that would be \$3.25, including the cost of delivering the oil from Mexico to Fall River.

Mr. KELLEY. \$3.25, average price of \$3.25, \$2.25 per barrel respectively f. o. b. naval vessels at Fall River, Mass.?

Admiral PEOPLES. At Atlantic and Gulf ports and at terminal points at the west coast.

Mr. KELLEY. At Atlantic and Gulf ports and at terminal points at the west coast—how do you get the \$3.85 average?

Admiral PEOPLES. We will have to figure that out.

Data reestimated cost of fuel oil, fiscal year 1922.

Delivery point.	Quantity.	Unit.	Total cost.
Portsmouth.....	75,000	\$5.00	\$375,000.00
Boston.....	300,000	5.00	1,500,000.00
Melville.....	400,000	5.00	2,000,000.00
Fall River.....	900,000	3.25	2,925,000.00
New London.....	35,000	4.75	166,250.00
Philadelphia.....	120,000	4.75	570,000.00
Washington.....	30,000	5.00	150,000.00
Washington (special for shop work).....	15,000	5.75	86,250.00
New York.....	40,000	4.75	1,900,000.00
Annapolis.....	15,000	5.25	78,750.00
Guantanamo.....	150,000	5.25	787,500.00
Charleston.....	400,000	4.75	1,900,000.00
Norfolk.....	400,000	5.00	2,000,000.00
Canal.....	200,000	5.25	1,050,000.00
Gulf.....	1,000,000	3.00	3,000,000.00
San Francisco.....	200,000	2.50	500,000.00
San Pedro.....	1,232,000	2.50	3,080,000.00
Pearl Harbor.....	400,000	3.75	1,500,000.00
Seattle.....	500,000	3.25	1,625,000.00
Total.....	6,772,000	.....	25,193,750.00

Average unit cost. \$3.72 per barrel.

The foregoing prices were estimated on the basis of large quantities being delivered at one time. It was estimated that small-lot deliveries would increase the average unit cost by about 13 cents per barrel, giving the average cost of \$3.85 per barrel.

COALING PLANT AT CHARLESTON, S. C.

Mr. KELLEY. At the navy yard, Charleston, S. C., you have an item, "Coaling plant, \$100,000," under "Public works"?

Admiral PEOPLES. Yes, sir. That estimate is \$100,000. The original estimate from the yard was \$500,000. The situation there is this: There is an oil tank storage on shore and there is a pier reaching out from the beach about 500 feet that carries the present pipe line. This pier is falling down—has been falling down for two or three years. It will soon fall into the river, and there will be no way by which the oil can be gotten out from the tanks. There are about 65 destroyers stationed there. They wanted \$500,000. We cut that first to \$250,000, then to \$150,000, and then to \$100,000 for the purpose of making the repairs.

Mr. KELLEY. Are you using the Government plant there now?

Admiral PEOPLES. Yes, sir.

Mr. FRENCH. Can you not use the railroad facilities?

Admiral PEOPLES. This is for oil. The facilities of the railroad can be used for coal.

Mr. KELLEY. This is a coaling plant?

Admiral PEOPLES. This should be a fueling plant; that is what it really is.

Mr. KELLEY. Oil storage?

Admiral PEOPLES. It is to take the oil out of the storage on shore. The storage is there; at least a part of it is there. The present pier is dilapidated and falling to pieces. Sixty-five destroyers are based on Charleston, all oil burners, and this pier will serve the double purpose of adding to the berthing facilities as well as supplying oil from the tanks on shore. With respect to the coaling plant at Charleston, there have been various matters under consideration.

Mr. KELLEY. Why does not Admiral Parks fix up that pier?

Admiral PEOPLES. This is his item, but he said that he could not do it; he says that he needs the \$100,000.

Mr. KELLEY. We do not make a special appropriation for a pier; we put all of that in one lump-sum appropriation.

Admiral PEOPLES. He says that he needs the \$100,000.

Mr. KELLEY. Why should we give him, say, \$9,000,000 for Yards and Docks and then carry a little item of \$100,000 and make a special case of Charleston?

Admiral PEOPLES. He would have to expend the appropriation for that purpose. At the present time here is a Navy facility that is going down—that is dilapidated absolutely.

Mr. KELLEY. That is his business?

Admiral PEOPLES. It is the business of Yards and Docks to provide the funds for it.

Mr. KELLEY. It is just like a pier at Norfolk or Hampton Roads?

Admiral PEOPLES. Absolutely.

Mr. KELLEY. There would be no sense, from the standpoint of legislation, in making a special item of this?

Admiral PEOPLES. Except that this would be regarded in the sense of being a new item of public works.

Mr. KELLEY. It is not a new pier?

Admiral PEOPLES. It is a replacement. The present situation has been so bad for the last year and a half that there have been reports made by the commandant at Charleston that unless some steps were taken to replace this pipe line and this pier that they could not hold him responsible any longer. The Bureau of Yards and Docks has been requested repeatedly to have the work done.

Mr. KELLEY. I think this is a matter of administration.

Admiral PEOPLES. Admiral Parks immediately comes back and says that he has not the money.

Mr. KELLEY. When we give \$9,000,000 to the Bureau of Yards in one lump sum to do this very thing, wherever it is needed, then the various chiefs of bureaus have to deal with the Secretary and have him direct the Chief of the Bureau of Yards and Docks to make the repair. I do not think we should carry a separate item after carrying an aggregate item of \$9,000,000, if we do carry \$9,000,000. This is for oil, not for coal?

Admiral PEOPLES. There is some coal coupled with it.

In order that you can thoroughly understand the situation, I should like to make this statement: The coaling plant at Charleston was erected on land, the property of the Southern Railway Co., leased in the same way as at South Boston and at Constable Hook, the plant costing \$271,000. Several propositions have been considered with respect to the disposition of this plant.

(a) Exchange of present Navy plant with the Southern Railway Co. for a suitable plant within the yard. The present plant has a capacity of 80,000 tons and that at the navy yard would be 20,000 tons.

(b) The abandonment of the present plant with a view to the construction of another plant within the navy yard, but this would cost \$200,000 for a plant with the capacity of 7,000 tons of oil and 10,000 tons of coal.

(c) The purchase of the land from the Southern Railway Co., but this would involve the leasing of the pier and would cost about \$300,000 for the purchase of the land.

In addition to the propositions contained in (a), (b), and (c), it will be necessary to repair the present oil pier, and the most economical proposition is to repair the pier, providing storage on shore for the transfer of the Navy's floating equipment from the Southern Railway Co.'s property, and this would provide a new pier with 7,000 tons storage of oil and 10,000 tons storage of coal.

They are anxious to come to some definite agreement with the Navy on this transaction. That is, they are anxious for the Navy to get out and sell the improvement to them, or to come to some definite agreement, so that they may know what will be done, and so that they can make their plans accordingly. Now, in addition to either of these propositions—that is, the exchange of the present plant with the Southern Railway Co., or the abandonment of the present plant with a view to the construction of another plant, or the purchase of the land from the Southern Railway Co.—it will be necessary to repair the present fuel-oil pier, providing storage on shore by the transfer of the Navy's coaling equipment from the Southern Railway Co.'s property, and this would provide a new pier with 7,000 tons storage of oil and 10,000 tons storage of coal. That was the proposition for which Yards and Docks estimated a cost of \$550,000, but which sum has been reduced to \$100,000.

Mr. KELLEY. You should take up this needed improvement with the Secretary of the Navy and the Chief of the Bureau of Yards and Docks, because I think it falls clearly within the general clause. How long has this coaling plant been down there?

Admiral PEOPLES. For years.

Mr. KELLEY. When was it put there?

Admiral PEOPLES. This pier was built several years ago.

CONSTRUCTION OF BARGES.

Mr. KELLEY. Now, then, Admiral, are there any other items in the bill under your department that we have not touched upon?

Admiral PEOPLES. None that I know of.

Mr. KELLEY. Tell us about these 10 barges that you want to build under Admiral Taylor's appropriation.

Admiral PEOPLES. Originally there were 24 of those barges wanted.

Mr. KELLEY. How large are they?

Admiral PEOPLES. I think they are 800 tons.

Mr. KELLEY. About like a submarine in size?

Admiral PEOPLES. No, sir; they are flat, rectangular vessels.

Mr. KELLEY. They have a capacity of 800 tons?

Admiral PEOPLES. Yes, sir; about that.

Mr. KELLEY. Of course, as you know, under the rules, new authorizations for ships of that size will have to come from the Naval Affairs Committee. We could not build barges of 800 tons' capacity without having authority to do so.

Mr. REED. According to the wording of the appropriation "Increase of the Navy, Construction and Repair," that is covered.

Admiral PEOPLES. There has never been any special authorization for these. As a matter of fact, if the amount estimated by construction and repair were allowed, and this item were in the wording of the appropriation, the 10 barges would have been built. The wording of the present construction and repair appropriation is "Construction and repair of yard craft, lighters, and barges." That has been the wording for years.

Mr. KELLEY. But that is not permanent law. The rule now requires specific authority. It is not the same as it was before. This committee has not any jurisdiction over new construction.

Admiral PEOPLES. It is not necessary for this committee to put any special wording in the bill. Admiral Taylor says that it is merely a question of allowing him to have sufficient money under his total appropriation for the construction and repair of vessels to carry it.

Mr. KELLEY. What is the language there?

Admiral PEOPLES. One of the subheads reads as follows: "Construction and repair of yard craft, lighters, and barges." For years and years the money for these various purposes has been appropriated to Construction and Repair, and work has been done by Construction and Repair.

Mr. KELLEY. These are ships of 800 tons displacement?

Admiral PEOPLES. There are not ships, but barges.

Mr. KELLEY. It ought to be like a hammer or a saw or some piece of machinery about the yard.

Mr. REED. These ships are pieces of machinery about the yard, like yard locomotives.

Mr. KELLEY. But they cost \$200,000 apiece. I do not think we ought to take jurisdiction of a \$200,000 ship. I can see how we might take jurisdiction of small rowboats or something like that, but \$200,000 for a barge is quite an item. I doubt whether under the rules we would have jurisdiction. Even if it is not a ship—

Admiral PEOPLES (interposing). A barge is not a ship. It would take the wildest stretch of imagination to make a ship out of a barge.

Mr. KELLEY. Does it have any machinery in it?

Admiral PEOPLES. We expect to put a kicker in it.

Mr. KELLEY. We are indeed very much obliged to you, Admiral, for your statements, which have been exceedingly illuminating and helpful.

TUESDAY, JANUARY 27, 1921.

STATEMENT OF HON. JOSEPHUS DANIELS, SECRETARY OF THE NAVY.

MR. KELLEY. Gentlemen, we have with us at this time the Secretary of the Navy. Mr. Secretary, the committee will be very glad to have you give any views that you may have or to receive any statements you may desire to make concerning any phase of the naval activities. We will be glad to have you proceed in your own way.

GENERAL STATEMENT.

Secretary DANIELS. Gentlemen, there have come before you the chiefs of the various bureaus, and they have given you in detail the various estimates and explanations. The estimates were made in September of last year, and they were made upon the basis of a Navy of the size and strength that was approved by the Naval Affairs Committee and Congress at the last session. It has not been at all an easy matter to make the estimates for this year, because we have been compelled to carry on many activities that we thought would have passed with the end of the war and the necessity of ships in Europe; but we have found that the necessity for keeping ships in the Baltic, in the Mediterranean, the Adriatic, and the Black Sea, and the calls upon us for other service have been larger than we anticipated. We took the estimates up in the council.

The council, as you know, is an organization composed of the Secretary of the Navy, the Assistant Secretary, the Chief of Operations, and the bureau chiefs. We took up in the council the matter of the estimates last September, and, in order to carry on the naval establishment and to make the necessary repairs on ships which had not been repaired and put in shape during the war because of the exigency, the responsible officers of the Navy thought it would be necessary, on the basis of a Navy of 143,000 men, to ask Congress for something like \$689,000,000. We devoted some days to that matter, discussing it in all its phases, and, as a result, the estimates that the bureaus had made were reduced to \$579,000,000. If you had been at that council you would have seen how carefully we went over and discussed the various items. Some of the bureau chiefs thought I was using the ax rather ruthlessly in cutting down their estimates.

In that conference we sought earnestly, the bureau chiefs and the Secretary, to make an estimate that would carry on the Navy in its large way without asking any appropriation that was not necessary. As I understand it, this Congress, and this committee, particularly, are charged with the duty of seeking to further reduce those estimates and to make a bill that will help in reducing the taxation of the country. Admiral Coontz has gone over with you very fully the matter of the disposition of the men on the ships, if we keep in commission the ships that operations and the responsible naval advisers think ought to be kept in operation, with 143,000 men. He has shown you where they would be placed on the ships, what ships would be in commission, what would be in reserve, what would be in ordinary, and what would really be set aside. I asked him to

prepare the figures to show you, at your request, from the standpoint of the operating department of the Navy, what ships would be kept in commission upon the basis of a Navy of 100,000 men. That is a matter of policy. If we keep the ships in the Navy that the naval experts think ought to be kept in commission, if we carry on the Naval Establishment on the line that makes our Navy fit and ready, we ought to have 143,000 men, and we ought to have these ships kept in commission. However, we can keep in commission all of the late dreadnaughts, half the destroyers, others of the best ships, and place the other destroyers in a reserve state, enough to keep them from deterioration, and by close economy all along the line we can run the Navy in a way to keep the latest ships manned with 100,000 men.

I have talked with Mr. Kelley about this at considerable length, and, of course, it is the duty of the department and its desire to cooperate with the legislative branch in every way possible to meet a condition which, I think, is transitory.

In the Navy we are going from a large war basis to a peace basis. Some people do not understand why we can not immediately place the Navy of 1921 and 1922 on the basis of 1916 or 1915. This past year—and the next year, to some extent, but much less so—has required expenditures which, when the transition stage is passed, will be reduced. As the Secretary of the Navy, looking to the keeping of the Navy in the very best shape and keeping all its ships ready, I should recommend that the number fixed last year, 143,000, be continued. But, in view of the necessity for close economy, we have been figuring in the department what we could do with 100,000 men; and, therefore, if the Congress feels it is necessary to make a large reduction in these estimates, I see no way to do it without seriously crippling the Navy, unless we base everything upon some sort of a schedule of reduction of men to a 100,000-men basis.

That would have been impossible a year ago; it would have been impossible when I made the estimates in September, and for this reason: When the armistice was signed everybody—and when I say "everybody" I mean, of course, the great majority of the men—in the Navy wished to return to civil life. It really was a stampede. They had come in, most of them, "for the war"; they had left their business; they had left their homes, ready to sacrifice anything and everything; but when the armistice was signed they wished to go back home. Of course, the natural reaction from all wars is for men for the next few years to say that they have had enough of war and wish to return to their civil pursuits. This was accentuated last year and the year before by the fact that wages and salaries on the outside were so much higher than they had ever been, that men in the Navy said to themselves: "During the war and during the months following the armistice, we have been serving our country at a very great sacrifice. Compared to men outside our pay has been very little; we have been away from home and if we can get out of the Navy we can all secure employment at very high rates of pay." And those who were first released did secure pay much larger than when they served in the Navy. The factories, the shops, and all the industries of the country, following the armistice, were either so prosperous or had such great orders that they did pay rates of

wages and salaries that were unprecedented, and the men who early left the Navy did get very good jobs, because the naval training in this day of machinery and electricity will fit a man, by reason of the vocational and other education he receives, in such a way that when he comes out of the Navy he is a more capable man than when he entered.

Those who were released early and secured these good jobs would say to their former shipmates, "I got \$40 a month in the Navy," or \$50, \$60, or \$75, as the case might be, "but now I am getting \$6 or \$10 a day outside." That spread through the Navy, and it not only affected the men, but it affected the officers. One officer resigned and received on the outside a salary of \$25,000, having received \$5,000 in the Navy; another resigned and got \$20,000. The feeling became general in the Navy that any officer of ability and experience could obtain a place in the shipbuilding plants or in the allied industries of the country, steel, and others, and receive a salary which in a few years would amount to as much as he would be paid in the Navy during a lifetime. Some of them did this, and then others resigned expecting to secure equally profitable situations. Of course, with the turn of affairs in industry in this country and in the world, most of those officers now wish they had not resigned. Some of them are now asking to come back. A little while ago we decided, upon authority from Congress, to send naval officers to Peru, as we had formerly sent them to Brazil, to help that country organize its naval academy and teach its officers. Peru was willing to pay a certain sum of money to these officers to teach in this new naval training school. The Bureau of Navigation wrote a letter to all the officers who had resigned stating that these places were open; I have forgotten how many, but about half those that had resigned applied to be sent to Peru to assist that country in its naval upbuilding and naval training.

What applied to the officers applied even more to the men, particularly the machinists and the electricians, the capable, well-trained men. They went out into industries and factories, automobile shops and the like, and they could easily get two, three, four, or five times what the Navy paid. When that time came about, those who remained in the Navy said, "The country is not treating us fairly; we have served during the war when people who worked in the navy yards and munition plants got big pay; it ought to increase our pay; the cost of living has gone up," as it had. They made a showing before Congress of the high cost of living and the high pay outside, and Congress passed an act increasing the officers' pay and the men's pay to a sum that was larger than had ever been paid before. During the months of agitation for that increased pay and up to the time it was actually granted the Navy lost the bulk of its skilled machinists and electricians, and we were in a very serious situation with reference to trained men to operate the ships. We had then to begin, having lost most of these men, a policy of recruiting, a campaign of recruiting, and it was carried on with the greatest diligence but with the greatest difficulty. At first we obtained so few men that we really had to pay what amounted to a tremendous bonus to obtain enlistments. Those we received were generally boys without experience, and many of them had no mechanical, engineer-

ing, or electrical talent or experience. We had to take all these boys—bright boys they were, most of them—and send them to school, so that out of, say, 100,000 men, more than half were totally without experience. They had to be sent to school and learn the very elements before they were good seamen. Of course, you can not make an electrician, a gun pointer, or a machinist in a few months. But after the bill passed increasing the pay, and concurrently with that the industrial situation slumped so that men were being laid off instead of securing high-priced jobs, the enlistments began to come up in the Navy until to-day we have 135,001 men. I discharged a boy 17 years of age just before I came here this morning, so that we have 135,000 men.

Mr. KELLEY. So as to make it even?

Secretary DANIELS. No; not exactly that; but here is what happened: It got out in the country, and we put it out through the country, that any young fellow coming into the Navy would have a chance to learn a trade and obtain an education, and so these boys 16 and 17 years of age—their fathers not being able to send them to school or being the sons of widows who lacked the money to give them the advantages they wished them to have—began to come into the Navy. We had a rule that nobody should come into the Navy under 17 and even then only with the consent of the parents, and we do not wish anybody under 18. But in the summer of last year and early fall boys poured in. They found out pretty soon that they could not come in unless they were 18 or unless the parents consented at 17, so a great many boys 16 years of age came in and said they were 18, and there came into the Navy a large number of boys who, instead of being an asset, only had the making of good men in them, and we had to send them to school and educate them. That is why I say we could not get along at all with 100,000 men without serious injury to the Navy unless that 100,000 are really capable machinists, electricians, and trained sailor men.

I have talked to Mr. Kelley about it, and I hope by June, with the intensive system of training we have adopted, and letting out young boys as we are doing—and every time I find a boy who is under age I do not hesitate at all to say, "Let him out at once"—that situation may be somewhat changed. Of course, there has been some criticism of recruiting officers for enlisting those boys. In their zeal last year, when we were down to hardpan, some of them undoubtedly winked at the boys coming in; but as a rule a boy would look pretty stout and strong, and he would come in and say, "I am 18 years old," and he was enlisted. When I ascertained that was being done more than I desired I issued an order that they should not accept a boy when he said he was 18 years old unless he looked it. But the need for men was so great that they were admitted.

If it is necessary to reduce the appropriation, I should regret very much to see the Navy come down and ships that are valuable ships go on half crews. The basis of the reduction in this appropriation from the estimates made depends upon reducing the enlisted strength, as I understand it. I went over the estimates very carefully. The estimates I submitted to this committee were conscientiously made for a Navy of 143,000 men and keeping all its matériel in first-class shape. My own judgment is, if you ask me as Secretary of the Navy or as a

citizen, that until the world gets out of this transition state and until the chaotic condition in the world becomes somewhat stabilized, if we have the money, it is a wise expenditure to keep the Navy in the best shape. I am certain, however, that 100,000 men can keep all our dreadnaughts in that shape and half of our destroyers, and give us a Navy, with the large reserve we have, which would enable us, in a time of need, to bring these ships back without seriously permanently affecting their efficiency.

Mr. KELLEY. That is to keep the potential strength of the Navy pretty well intact?

Secretary DANIELS. Pretty well intact; yes.

Mr. BYRNES. As I understand it, then, your estimates, prepared last August, were based upon the idea that you were carrying out the policy of the Congress in continuing 143,000 men?

Secretary DANIELS. Yes. We went over the matter very fully in the Naval Affairs Committee, and the Bureau of Navigation thought we ought to have 175,000 men. It was discussed several days and the Naval Affairs Committee, both in the House and in the Senate, after conferences, and in conference after the bill was sent to conference, agreed, I think pretty unanimously, that we ought to fix the number at 143,500, and in pursuance of the appropriations made last year and the authorization of Congress all my estimates from beginning to end are based upon a Navy of 143,000 men.

To be sure, there are some items that you can not base upon men. For example, the enlargement of facilities in the Pacific. In a way, of course, everything in the Navy is based on the number of men. It is the best yardstick we have, but, still, you can not always absolutely employ it, because you will need at Hawaii, for example, just as good forts, fortifications, dry docks, and naval bases for 110,000 men as you will need for 140,000 men, because you have a potential strength of 143,000 men, and because you have the Naval Reserve, which was well trained in the war, not trained in a long period, but trained so intensively that upon need we could call back 50,000 of them in a week's time, who would be able to work with the Regular Navy and give us 143,000 men. That would meet any ordinary needs that we could foresee, but in the Pacific, of course, we need very much to have these bases enlarged, and I would like to emphasize that recommendation, which I have put first and above everything else in new lines. Of course, those things can not be measured on the basis of men entirely.

Mr. BYRNES. Nor could your estimates as to men have any relevancy to the amount that would be spent upon new construction in any given year.

Secretary DANIELS. No; because you might very well say the new construction is not ready and by the time it is ready, if Congress in its wisdom thinks it is necessary to do it, it can add the number of men later and put out of commission, for example, all the ships of, say, the *Georgia* and *Vermont* class, which, while very good ships, by reason of their smaller guns, would not be in any first line of battle.

Mr. BYRNES. And you say that while you now recommend that 143,000 men be kept, if the Navy is to be made fit and ready, that

if Congress determines as a policy that it should be reduced to 100,000 men, it can be done without doing any great injury to the Navy because of changed conditions.

Secretary DANIELS. It would not do any serious injury to a Navy of a smaller size than the last Congress authorized. It would give you a good Navy, and with the reserves we have we could easily increase the number to 143,000 in an emergency.

Mr. Wood. I suspect that the 100,000 you can get out of the material you now have will be equivalent to a great many more than 100,000 out of the raw material you had a year ago?

Secretary DANIELS. Exactly. The training we have given these men in the last three months, and will have given them in the next two or three months, means that fewer men can operate the ships, because those men will be more skilled and efficient than young men who have not had experience.

Of course, we have had a long discussion in the Navy and in the Naval Committee about the number of men needed on ships. I have always taken the ground that what the Navy must come to is fewer men, better paid men, and better trained men.

Mr. Wood. I suspect, as a matter of fact, that these young men are more of an encumbrance than a help?

Secretary DANIELS. I would not say that, because those that have pretty good minds and are quick with their hands learn rapidly, but it takes the older men away from their duties to train them, and you convert the ships into places where these young men are trained for their work, whereas if that were unnecessary fewer men could do the job. Our naval experts have all agreed practically upon a larger number of men on each ship than the navy of Great Britain has had, and I have inclined always to the belief that the estimates of the number of men necessary on each ship are in excess of the number required if we have trained men. Of course, if you reduce to 100,000 men, we will exclude more rigorously men who are not trained, and with the present pay of the Navy, and the outside pay having been reduced, we will enlist more men of real capacity than we have heretofore obtained. The other day, for example, I was in my home town of Raleigh, N. C. I was getting ready to go back, having decided not to remain as Secretary of the Navy after the 4th of March, but to join the Naval Reserves instead of being in the Regular Navy.

I dropped in on the recruiting office—that was before we stopped recruiting—and I found a dozen men waiting to enlist, and, as I always do when I go to a recruiting office, I spoke to the boys. I have made it a hobby to speak to the boys, either in coming into the Navy or in going out of the Navy in order to familiarize myself with their point of view, and I learn much by it. I was rather impressed with the fact that those now coming in were older men. I went in and shook hands with all these young men. I asked each one this question: "Why do you wish to join the Navy?" Four or five of them said, "We are mechanics; we have been working in the shipyard at Wilmington; the shipyard is now closing down, and, having been doing work for the Navy and finding that the Navy is a good place to perfect our trades, we have decided to enlist." Another young man said he had been farming, and that farming was not profitable at the present price of cotton and tobacco; that he had

been reading about it, and he had decided to join the Navy. Six months before, if I had gone into that recruiting office or any other recruiting office, I would not have found men of that type. Most of them would not have thought of enlisting in the Navy, because they would have been getting \$5 to \$7 a day, and if very good, \$8 or \$9 a day in the shipyards. Farming would have been profitable, and we could not have induced them to come in; but now, instead of urging men to come into the Navy, we have closed our recruiting stations.

That is an item of expense for which I had estimated a very large amount, and I based it upon the cost of recruiting in the summer of 1919, when we had to send automobiles throughout the country. In the language of the Scriptures, we had to go out and "compel them to come in," but now we have to shut the door. There is something about human nature that makes a man, particularly a young man, want to get into a door that is hard to pass through. If the door is wide open and you are begging a man to come in, he looks at it and says, "I do not know about it"; but if it is difficult and is such a very desirable service, and he knows when he gets in that he can get an education or a good trade, and that the pay is good, he is very anxious to enter the door. The pay of the Navy is good now compared with outside pay when you consider retirement, leave, and the fact that a man has to pay no medical bills, no hospital bills, and that he has certain rights and privileges. The service is rather attractive, and we are enlisting ambitious men, who wish to come in and stay long enough to become officers, because we have made it so in the Navy now that a man may begin at the bottom and rise to be an admiral. And we must do that more and more to attract and hold the best class of men.

There are many young men in this country who have some taste for seamanship, electricity, and engineering. They are able to learn those trades in the Navy and secure the benefit of its discipline, so that after staying in two, three, or four years they will return to civil life trained men and be better able to obtain employment at a higher rate of wage than they could if they had not had this training. In the meantime they have had an experience which appeals to young men; they have seen something of the world; they have had a taste of salt air. Most of the boys who live in the country either want to go to town or go to sea. There is an appeal of the sea that is particularly attractive to the young men of the Middle West and South, where people have never seen the ocean, and in many respects they make better sailors than the boys who have always lived on the sea-shore.

It is because we are training these men and that the new men who will come in to take the places of those who fall out will be better trained, that I would say with some regret—because I hate to see the number in the Navy reduced—that 100,000 men will give us a Navy that is good, with our latest dreadnaughts fully manned, half our destroyers fully manned, and the other types of ships as much as necessary for a Navy of 100,000 men. That is made possible only because of the conditions I have recited and the fact that we have a reserve now that we never had before, a reserve that we can call upon in time of need. I am frank to say that I am making that

statement because I realize, as you gentlemen do, the compulsion upon Congress and upon the country to make such reductions as are possible in every department of Government.

NAVAL RESERVE FORCE.

Mr. KELLEY. In that connection, Mr. Secretary, if it does not interfere with any train of thought you have in mind, I would like to have you discuss somewhat the question of this Naval Reserve Force. It is running more heavily into money than the Naval Committee anticipated. I do not know how it is with you—

Secretary DANIELS (interposing). Yes; and more than I had anticipated. I believe one of the prime things we ought to do is to encourage and strengthen a good reserve and to train young men who have some taste for naval life, so that they may be trained and come into the Navy in time of need. Of course, prior to 1914 we had no reserve at all; not even a shell of a reserve. We had a naval militia in New York and North Carolina, Massachusetts and Pennsylvania, and the State of Washington, perhaps, and Louisiana; just a few States that were on the water, and we gave them some assistance, but very little. In 1914, seeing the value of a reserve, Admiral Blue, who was then Chief of the Bureau of Navigation, drew up an act which, with some changes after conferences, but very few, was enacted by Congress, and we began to make a reserve largely of the men who had been in the Navy but had who had gone out into civil life, and to keep track of them and to keep them on the rolls.

In 1916 that act was enlarged and we made provision for various classes of naval reserves. The law providing for a naval reserve really saved us in 1917-18, because when war came we had immediately all the legislation we needed to take men in as officers and enlisted men to fill a pressing need. There were some provisions of that law, in its workings, that needed to be changed and repealed. For example, we had in that law—I had never foreseen exactly how it would operate—what we called the coast defense reservists, which I had to really abolish by order. The coast defense reserve was a reserve in which a man would enlist with the understanding that he could not, except with his consent, be taken out of his coast district. In other words, if he enlisted in Boston, the Secretary of the Navy could not send him to New York or to Europe; and early in the war or before the war many men had gone into this coast defense reserve and quite a number of them enrolled as officers in that reserve. This provision of law, of course, was an unwise provision, because a man in the Navy, as a reservist, ought to be subject to go anywhere at any time and do anything. Very shortly after the war began, and I found we might be hampered in our movements by the men saying: "Well, I am in the Boston Coast Reserve or the Norfolk Coast Reserve and can not be sent to Europe," I issued an order. I could not disenroll them, but I issued an order that no man should be promoted or made an officer in the coast defense reserve, and, of course, they went into the other reserves. Most of them had gone into that reserve not understanding it was limited—but just because they were at home. They were a fine body of men, and most of them gladly changed into the regular reserves. We have now 8,332 officers and

219,000 men in the naval reserve, and we have a law by which they get two months' pay if they actually serve at sea three months in their enlistment.

Mr. KELLEY. And they get three months' training pay and they get two months' retainer?

Secretary DANIELS. Yes. Of course, that very large number is more than we had supposed would be confirmed. I feel very strongly, however, even though that sum is rather large for the immediate benefit we receive from it, we owe so much to these reserves. They served so well in the war and so many of them are keen and zealous now that we are obliged to live up to all our promises made to them. Moreover, we ought to hold out an inducement to those who really are studying and working to keep fit and ready. So that it presents a very serious problem as to what we shall do. There was a meeting here this week of the reserves, with 40 or 50 delegates, representing all the reserves of the country, and I was present last night at a dinner they held, and we were discussing the future of the reserves. I said to them that Congress had been very liberal and I trusted and believed it would still wish to be very liberal, but it was their duty and the duty of the department to weed out rigorously every man in the reserve who was receiving retainer pay who really was not keeping up to the job so well that the Secretary of the Navy would feel perfectly justified in sending him to any duty immediately. That statement was warmly received and applauded by the men there, who recognize that you had better have 100,000 reservists who are keen about the profession than to carry on your rolls a large number who are more or less indifferent.

Mr. BYRNES. How are you going to weed them out, Mr. Secretary?

Secretary DANIELS. That is a very difficult problem, but you can do it. Of course, you can say, as you do about the Regular Navy, "We shall have in the Navy 143,000 regulars or 100,000 regulars, and we shall have 150,000 reserves or 100,000 reserves." You can limit the number which, in the course of a year, would bring you to the point where there would be a survival of the fittest.

Mr. Wood. Is not the number of your reserves decreasing by resignations?

Secretary DANIELS. It is steadily decreasing, and it will decrease as we make the duty more rigorous. There are a great many men in the reserve now who will not remain in and others will go out because they are in business or they have become a little older and have married, and do not wish to follow this profession or take the training, and the number will naturally reduce. We have obligations to those men and they have served most faithfully. I do not think there is an officer in the Navy who was not astounded at what they did. I remember when war was declared we began the reserve officers' schools. We sent them to Annapolis and other places. We had one at Boston and we had there Capt. Parker, a Naval Militia officer and at Chicago, Capt. Evers, and Capt. Fry, Commander Crenshaw and other experienced militia officers who came in and began to help us and to open schools, and the young men went out and from colleges and from factories and farms with a keen zeal to serve in the Navy, and we turned out officers from those schools in four months who had learned more than we ever dreamed men could learn in two years..

With three months at sea added they made very good officers for the duty to which they were assigned, and some of them made wonderfully good officers.

Mr. KELLEY. I wondered, Mr. Secretary, what you might think about the amount of pay. You understand we pay them for the 3 months that they train during the 4-year enlistment, and then give them 2 months' pay each year during the 4-year enlistment, which means 11 months' pay for 3 months' work in the grade in which they have been confirmed.

Secretary DANIELS. Many of them would reply to that by saying that they give more time than that. In some of the places, like Boston and New York, and places where they have ships and go to sea, a great many of them give their week ends. They go down Saturdays, and in addition to that they devote time to study in addition to the actual time at sea. Our contract with these gentlemen binds us to a very liberal treatment of them. I would rather try to make reductions.

Mr. KELLEY. Administer it down in numbers.

Secretary DANIELS. Yes; administer it down in numbers and then require rigorous standards, because I think they would feel that upon our invitation and request they came into the Navy with certain guaranties. During the war most of our transports were commanded by reserve officers, and most of our transports had reserve crews, and no service was more valuable than that rendered by those men.

They have gone back into civil life and there would be a sense of resentment if we did not live up to what they regard as a contract when we called them in. I remember one case that may interest you, if you do not recall it, the case of an officer named Madison—Lieut. Commander James J. Madison—who was the commander of the *Ticonderoga*, a reserve officer, who had not had very large experience, but he had the instinct of the sea and knew much about naval matters. He was put in command of that transport, and when it was submarine and a torpedo struck it he was seriously wounded. He had himself lashed to a chair on the bridge, ordered them to fire at the submarine, and kept up the fire and never stopped until he was unconscious. He was no braver than the boys on his ship. They all did fine work, and they have the potentiality of great efficiency in time of any real serious need. I have in mind to bring to Washington and put in the reserve department a reserve officer who will probably interpret the civilian standpoint better than a regular officer, and who will cooperate in this matter of making rigorous standards. Of course, the danger of the reserve is that after a while some of them will take the cruise for fun and not be proficient. Of course a man who is a reservist, unless he is keen and alert and keeps up loses value to us, and to pay him stated sums of money to stay in the reserve and go to sea 15 days in the year is of no value to the country unless he is going to be fit and ready to go to sea. I think it would be better if we could work out some plan of that character. In other words, you are reducing the Navy, if you do reduce it, for what?

I am speaking about the financial compulsion you feel in making reductions, and I am trying to accommodate the department's view

to cooperate with the Congress. That has always been my policy. I have always believed that a Member of Congress was just as patriotic as I was and wanted to serve the Navy as well as I did. If you are doing that, then you might on the same lines say, "After June the number of reservists shall be limited to a certain number and the number of officers in proportion"; give a little leeway as to time and provide that the department shall make such rules and regulations under which the fittest shall have this retainer pay. Of course, that is not very easy, but it is not tremendously difficult. If you give a little leeway and time to do that, I am certain that Capt. Evers and Capt. Parker and these other gentlemen here, who constitute the leaders of the reserves, will cooperate heartily with that plan. I talked last night about it with several of them and told them that something must be done, because Congress will not be liberal unless they know they are getting their money's worth. I stated, "They owe you a great deal, but you owe the Government a great deal," and they were in hearty sympathy with the idea that the standards should be high and rigorous. If you cut down the Regular Navy, say, 40,000, because of the necessities of the country, you might very well make reductions in the same way in the reserves to begin next July, and I believe we could get a committee of those reservists who are splendid men, who with Capt. Ziegemeyer and the Bureau of Navigation could work out a plan by which the money spent would be well spent, and we would not lose the zest and spirit of the real men.

NEW CONSTRUCTION.

Mr. KELLEY. Perhaps the next matter which figures very heavily in the bill in money is the new construction, and I would like to have your view as to the expenditure of a lesser sum than you recommend, if you think possibly that might be brought about.

Secretary DANIELS. In my estimates I figured that we would finish these ships in three years, and if we are to finish them in three years it will be necessary to appropriate the money for this next year that I recommended; that is, if we are to press the construction. I understand that you have had before you Admiral Griffin and Admiral Taylor.

Mr. KELLEY. Yes; and Admiral McVay.

Secretary DANIELS. All three of those gentlemen, who are the responsible heads of the bureaus who look after the building of the ship, putting in its motive power, and furnishing the guns, they have told you how certain postponements could be made?

Mr. KELLEY. Yes; they have given about the amount of money they have been spending during the last few months, and we talked with them along the line of spending about the same as they have been spending during the last few months; not varying that greatly and keeping about the speed that has been going on, and they thought, I think, they could do that, which would mean about \$100,000,000 instead of \$184,000,000.

Secretary DANIELS. Of course, there are two sides to that. The work up to now has been naturally slower than it would be later on. From the time you lay the keel you accelerate the work. These ships

are all being built under a cost-plus contract. We were not able to make a contract with anybody at a fixed sum.

Mr. KELLEY. But the commission is a fixed sum?

Secretary DANIELS. The amount of profit they are to have is fixed; in other words, they get no more money if it costs \$30,000,000 than they do if it costs \$20,000,000. Their fee is fixed. Of course, when we first made a contract with them, during the war and right after the war, we did make a contract with some of them for 10 per cent, but later we called them all in, and one or two of them who are always more amenable to what is for the good of the Government, as well as their own good, saw at once that our plan was right. I said to them, "During the war we did many things we can not do after the war, and we can not pay this 10 per cent, because whether you carry the price up or not, the people think you do, and they think that if you are getting 10 per cent you do not have any inducement to cut down the cost." They were very reasonable, and so we made a fixed profit which is fair and just to them and to the Government. Of course, this building on a percentage basis is something I never did like, but it is going to result now in a saving, and you will find you can reduce my estimates—although I do not know how much—because since they were made, in August and September, prices have been reduced. Prices will be reduced next year somewhat, but how much I do not know. Of course, it is very much better to press this work rapidly than to let it go along over several years; in other words, you get your good ship quicker; your overhead is less, because the overhead is always pretty high, and if you build these ships in three years what you save in overhead and getting your ship quick is a very important item; but, of course, you can go along in a slower way and reduce the estimates for the next year.

Mr. BYRNES. Was that the reason you estimated for their completion within three years?

Secretary DANIELS. Yes; for two reasons: First, the quicker you build the ship the less overhead, and therefore the cheaper if material is about the same price, and second, we shall get the ship quicker.

Mr. Wood. Do you think all the ships in that program should be completed?

Secretary DANIELS. I do.

Mr. KELLEY. You might discuss that from two points of view if you like, Mr. Secretary; first, from the national policy point of view, and second, from the standpoint of cost, as to whether or not they should be discontinued.

Secretary DANIELS. From the standpoint of cost, of course, the quicker you finish them the quicker we get the ships, and we have already contracted for them all. I suppose Admiral Taylor told you the percentage of completion?

Mr. KELLEY. Yes.

Secretary DANIELS. I have not that in my head, but, of course, our contracts are made, most of the machinery is in process of making, and if we should annul those contracts, of course the contractors would have a claim against the Government.

Mr. KELLEY. Admiral Taylor and the others who were with him that day were questioned as to what it would cost to settle up, and

discontinue the one least advanced, which I think was the Massachusetts, which is about one-half of 1 per cent advanced, and their judgment ranged from \$6,000,000 to \$10,000,000 to settle up and discontinue the work on that one ship, and the others being much further advanced, the amount would be greater.

Secretary DANIELS. Yes. As I say, we have made the contracts, we have the material, and we have gone ahead. As to their estimates of \$6,000,000 and \$10,000,000, the highest is probably too high and the lowest is probably too low. Our experience is that whenever we order a contract stopped, if we keep the price down very low the courts give the man pretty much what he claims. When we annul a contract the Court of Claims says: "You made this contract with this man" and he goes ahead and shows his commitments and his expenses, and therefore you would not save as much as you would think.

Mr. KELLEY. I suppose there would be some profit that would have to be paid in any event.

Secretary DANIELS. I think the court would give them their profits.

Mr. KELLEY. What is the profit on one of these ships?

Secretary DANIELS. I think it is \$2,000,000.

Admiral PEOPLES. Yes.

Mr. KELLEY. That is one large item right there.

Secretary DANIELS. These ships would cost, say, \$30,000,000 and the profit is \$2,000,000, which is not an excessive profit for a job of that character.

Mr. Wood. Upon a piece of work involving how much money?

Secretary DANIELS. \$30,000,000. When we began we thought the cost would not exceed \$25,000,000, and a year ago we thought it would be \$35,000,000, but whatever the cost is they get \$2,000,000.

As to the large policy of building ships, the Navy world and the civilian world is discussing now, of course, disarmament, reduction of armament, the types of ships to build, future naval craft, and there are men who believe the day of the great ship has passed. I was reading only last night an article by Sir Percy Scott, of the British Navy, who said that the day of the battleships and battle cruisers and dreadnaughts has gone, and the only way for the dreadnaught to keep in place is to dive, and if it does not dive the aircraft will sink it, and if it dives a submarine will torpedo it, and there is a great discussion going on of that character. Of course, the preponderant opinion of all the naval experts in the world is that the battleship that can have great guns and that can hit hard and take punishment is the very backbone of a navy. In Great Britain they are not ordering any new ships. They have appointed a commission to confer with Australia and Canada and New Zealand and all the colonial countries to discuss their naval program. They meet in May. Up to that period they have ordered no new ships. Of course, they can safely do that because they have such a large preponderance of dreadnaughts that they are so far away in the lead of all the nations that they can maintain their primacy without building.

These ships we are building will give us, when they are completed, a Navy in capital ships of greater power than any navy in the world, and a ship that can not fire at 20,000 yards and more is outranged. I talked over these matters of building ships when I was in Europe.

last year with the admiralties of all the countries, and they showed very great interest in this new construction of ours, and they quite frankly said that while of course other nations will have big ships and Great Britain more ships than America, and more tonnage, yet "these ships that you are building will so outrange and outclass any other ships, that the United States will be the first naval power in the world as to the large ships." I believe that having authorized them, having contracted for them, having gone so far, it would be a great mistake not to complete them. Let us consider it in this way: We are either going to have an association of nations or a League of Nations or an arbitration or disarmament or something that will make England, Japan, France, Italy, and all the countries work together when we will not need a great Army and Navy as we have needed them, or we are going it alone. These are the only alternatives. If we go it alone and if we must say that the United States is to play a lone hand, then we must play a strong hand. In that case, of course, we ought to build these ships, and we ought to authorize more; not of that type now but airplane carriers and scouts and new types of ships.

I am not recommending that to this Congress, but if we are to have an association, which I earnestly hope we will have, and I trust that the new President when he comes into office will avail himself either of the congressional act of 1916, which gives him the power now, without crossing a "t" or dotting an "i," to have a conference of all the nations of the world looking toward reduction of armament, or that by some other legislation he will have a conference of the nations to discuss and come to an agreement whereby it would be safe, because we will never reduce unless it is safe, and no other nation will unless they think it safe to reduce armament. In that case, we will still have to have for some years, until the world is in a sense fairly stabilized, a police force of the sea, and this country, of course, in that condition ought to furnish its share, and the equal share of any nation on earth to preserve the peace of the world, in the event somebody breaks out of the traces or if somebody seeks the place of Germany. If President-elect Harding should call this conference and some nation would not go, then that refusal to enter would be equivalent to advertising to the world that some nation is trying to be a Germany. I think they will all come, and I think in the year before you meet in December we will have some concert or some recommendation or some suggestion by which we will be able instead of going up the hill with a tremendous military expansion and expense to begin to come down.

Mr. KELLEY. If that should result in a reduction of armament, of course, that would mean the disposition of the old ships of every nation.

Secretary DANIELS. Yes.

Mr. KELLEY. They would all come from the bottom and that would leave the United States with whatever weapons we did have of the very newest and best and most improved type in the world.

Secretary DANIELS. Exactly.

Mr. BYRNES. In other words, the scrapping would not begin at the top.

Secretary DANIELS. Never.

Mr. WOOD. What is the life of one of these big dreadnaughts?

Secretary DANIELS. That has been variably estimated. It all depends on what comes in new. When the first dreadnaught was built, what they called the big-gun ship, you know, it was first designed by a naval constructor in Italy, Vittorio Cuniberti, who originated the idea, and when Great Britain built the first dreadnaught—they built it in secrecy. People began to hear that they were building some wonderful ship and they built it in an incomparable short time. Before they laid the keel of the first dreadnaught they had all the motive power ready and everything of that kind, so that they built it in less than a year. Of course, as a matter of fact, it took about five years. The very day that ship was launched they scrapped their whole navy and Germany's navy and every other navy in the world, because it was just like the *Monitor* and the *Merrimac* at Hampton Roads.

Mr. WOOD. That is the trouble about this whole business.

Secretary DANIELS (continuing). There was the United States and the Confederate Navy at Hampton Roads fighting, and this little cheesebox came out, you know, and played havoc, and the *Monitor* and the *Merrimac* scrapped there and neither one could sink the other. The London Times the next week said that the fight at Hampton Roads had scrapped the entire British Navy. The dreadnaught destroyed the British Navy as it then existed. It destroyed the German Navy as it then existed, and all of them had to begin to build on this new type.

Mr. WOOD. You take the big ships we had during the Spanish-American War, we thought they were wonderful ships. They are all gone now.

Secretary DANIELS. Yes; out of date. Last year we had a review of the fleet out in Seattle, Puget Sound, and at the Golden Gate. At Seattle the President went on the *Oregon* and reviewed the ships coming in. I remember, and you remember, in 1898, about the *Oregon* coming around the Horn and how we watched it and thought of it as the greatest ship, and how when it reached the Caribbean Sea and fired its projectiles at the *Cristobal Colon*, I think at 7,000 yards, we thought it was a wonderful thing. At the Battle of Jutland, 19,000 yards was the range, and 25,000 yards will be the range the next time if, unhappily, there is any next time.

Mr. KELLEY. These dreadnaughts would last a long time if some one did not get up a newer and more dangerous weapon.

Secretary DANIELS. The *New Mexico* will last forever, and these new ships we are building, the *North Carolina*, *Iowa*, and *Massachusetts* class—the ships we are building in this program are the last words unless something new is discovered that puts them in the class that the *Monitor* and the *Merrimac* put the others in.

Mr. BYRNES. If there was a sincere agreement among the naval powers to bring about disarmament that would be likely to prolong the life of our dreadnaughts.

Secretary DANIELS. Undoubtedly.

Mr. BYRNES. Because that would discourage the invention of more deadly weapons upon the seas.

Secretary DANIELS. Of course, every nation in building must have in the back of its head what it is building for and must have in mind

building it for some possible enemy. If the nations were to say, "We do not intend to let any nation rove the sea and destroy and try to conquer and take other nations," they would agree upon a reduction and in the course of a few years there would be enough ships to protect all the nations of the earth, they would not need to build any more, but you want to have the best there are.

Mr. BYRNES. I do not quite catch that—if you disarm and scrap your ships from the bottom of your list—

Secretary DANIELS (interposing). I say there would be no incentive or necessity for building any more at all if that agreement was made in good faith.

Mr. KELLEY. Then the answer to Mr. Wood's question would be that the life of one of these dreadnaughts would be at least 30 years, or perhaps more.

Secretary DANIELS. Of course, the life of a dreadnaught is perpetual, but its efficiency depends upon new inventions.

Mr. BYRNES. It is not a question of its ability to sail the seas, but a question of its ability to be effective upon the sea.

Secretary DANIELS. To be effective in speed and gun power. Of course, it has been regarded in the Navy that the life of a ship is probably 15 or 20 years, figuring upon the changes.

Mr. BYRNES. Do you think the program could be safely slowed up to a greater extent than would be possible with an expenditure of \$100,000,000 a year, or do you think it should be done?

Secretary DANIELS. It would be necessary to build more rapidly. In the long run it would save money, because the same amount of money must be spent anyhow.

Mr. KELLEY. Unless what you lose in overhead could be made up, possibly, in a reduction in materials.

Secretary DANIELS. That is a matter of speculation, but I would say, as a naval question, the quicker you build these ships the better.

Mr. KELLEY. The expenditure of eight and a half million dollars a month is a very large industrial expenditure, and is really a good, rapid development.

Secretary DANIELS. It is going forward steadily. It is going to cost more for overhead, and we get the ships at a later time. I should say about that that whatever Admiral Taylor and Admiral Griffin and Admiral McVay, who are the experts in this line, would recommend, it would be very wise to follow. I followed their views in my estimates.

Mr. KELLEY. I think they had no doubt about that being a perfectly feasible pace.

Secretary DANIELS. I think we all might follow their best judgment on that line. I understand their view is that to build in three years would make the overhead cost less, and we would get the ships earlier, but that a reduction to \$100,000,000 a year, if the committee felt it was necessary to reduce estimates, would permit the continuance of construction upon the present scale and would not seriously interfere with the completion of these ships. In the ordinary course of events, this year and the next year are the ones where there ought to be the big expenditures.

Mr. BYRNES. After the keel is laid, then the greater expenditures begin.

Secretary DANIELS. Yes.

PACIFIC COAST STATIONS.

Mr. KELLEY. Now, just a word about your estimates on the Pacific. Of course, now that the fleet is part in the Atlantic and part in the Pacific, I think everybody recognizes the need of having stations out there that can make the repairs, and the estimates call for quite elaborate extensions of piers and docks at Puget Sound, and I wondered, Mr. Secretary, if they had not really estimated for more at that point than could be carried out in the year. For instance, they have an estimate for one freight pier and shed for which they have estimated \$1,015,000, and they have another extension of Pier No. 4, 700 feet, and the rebuilding of Pier No. 5, besides the freight pier, and I wondered if we could not omit some of that construction this year.

Secretary DANIELS. I do not think it would be wise. I think the estimates on the West coast ought to stand as recommended, because we have so many ships in Puget Sound and that yard is the best yard we have with deep water. I scaled down the original estimates on Puget Sound and I believe those estimates for Puget Sound are vital.

Mr. KELLEY. I think the Chief of the Bureau of Yards and Docks thought that the freight pier and shed might be omitted this year, because he said it was partially for convenience only; that is to say, it was a matter of using the railroad facilities to a little better advantage.

Secretary DANIELS. It is quite important, but, of course, it could be delayed better than anything else.

Mr. KELLEY. You increase the other two piers, one of them 700 feet and rebuild the other.

Secretary DANIELS. You could delay the freight pier and shed better than any of the others. If you were going to delay anything I would delay that. That would have to come the next year.

GUAM.

Mr. KELLEY. The mind of the committee has probably gone along with the Navy Department pretty well until we get into the very far Pacific, and here is an estimate for \$1,499,000 for new construction at Guam, creating a new base out there. I wondered if that could not be left until possibly a little more thoroughly worked-out policy for the Far East could be agreed upon. Of course, it is new construction, which I think ought to be passed upon by the Naval Affairs Committee anyhow, and I wondered if you had anything you wanted to say particularly about that item.

Secretary DANIELS. The question of Guam has been, of course, considered for many years, and in particular the last year by the joint Army and Navy board, and when you read their estimates and you read mine you wonder at my moderation. Of course, the question of Guam is a strategic question. It is the only place we have except Hawaii in the Pacific, and it is so situated that the best men in the Army and the Navy believe it ought to be strongly fortified.

Mr. KELLEY. It probably ought to be strongly fortified or not at all.

Secretary DANIELS. Of course, what we do there is not very large. We have some guns there now, and we have had a small detachment

there. Guam ought to be taken and fortified on a large scale and made an impregnable base. Of course, this appropriation will not do that, but it will carry out certain plans which Operations and the joint board feel that the Navy ought to do. Of course, if you are going to leave out the new matters connected with Guam, we might finish what we are doing, putting in 7-inch guns, etc., and remit the whole question of Guam to the joint Army and Navy board for an elaborate and full report at the next session of Congress.

Mr. KELLEY. It occurred to me that just at this time, when our financial necessities are pretty heavy, most of this expenditure might be deferred—at any rate for Guam and the Philippines.

Secretary DANIELS. It would be much better to finish the Pacific bases and Hawaii. As to the relative importance, I should say Hawaii and the Pacific bases, and then Guam afterwards.

Mr. KELLEY. And the same line of reasoning will apply to these items for the Philippines, amounting to about \$964,000?

Secretary DANIELS. That is not as important as Hawaii or the Pacific. You are referring, I understand, to the new items there.

Mr. KELLEY. Yes, to the new items of construction. Another question of considerable importance is the matter of fuel, which has been giving us a little trouble, and I think the committee would like to have your judgment about what we ought to do in the way of fuel for next year, although we have not had time yet to take that up with Admiral Peoples.

FUEL.

Secretary DANIELS. The fuel question this year has been one that has made almost all of us turn gray. In the early part of the year, in fact after the armistice, I supposed we would very shortly withdraw our ships from Europe, and after the ships got into the Pacific the consumption of oil and coal would be lessened for a year or two, and I gave directions to Admiral Rodman and Admiral Wilson and Admiral Coontz to order a reduction to the lowest possible amount; but we have had to send oil to the Mediterranean, to the Adriatic and to the Baltic, and the cost of oil fuel has been very high. Of course, we have been in a constant fight with the oil and coal people. We have taken advantage in the Navy of the commandeering act, and I sincerely trust, gentlemen, that that act will be continued at least for the next year.

My own opinion is it ought always to be continued, and that for governmental purposes the Navy certainly—the Secretary of the Navy—should be able to commandeer oil and coal for the use of the Navy. If we had not had that power this year, I do not know what we would have done. Our expense has been tremendously high as it is. We would have to have tied the ships up and quit or else created a deficiency that would have been beyond any reason. I remember when I was in California last June we had to commandeer oil. We could not get a satisfactory bid from anybody on the Pacific to furnish oil. When I say "anybody" there were perhaps one or two companies. They did not bid at all. There we were without any oil. So I commanded it, and most of them went up in the air and said that it was autocratic and that I was all kinds

of a czar. Some of them refused at first to obey the commandeering orders. Some of them came to see me and said they would not obey the commandeering order; that I was taking high-handed action that could not be supported. I said, "Gentlemen, you will either deliver that oil or the marines will deliver it. The Navy must have it, and we are going to take as little as we can; but we are going to obtain it in accordance with the law." I saw Admiral Rodman and I told him not to take any oil that was not necessary and to take the lowest possible amount to carry out his schedule, but told him that we must have the oil needed for the fleet and its necessary operations. We had on several occasions to order the marines out and actually seize the oil and deliver it into our ships. Of course, that was a thing we did not want to do, and we never did it until after we had urged them to furnish the oil under satisfactory conditions. Always we offered to pay them 75 per cent cash of the reasonable price fixed and told them that if that was not fair they could apply to the courts and obtain whatever was fair; but as a basis for such action we must have the commandeering power continued. So far in all the coal and oil commandeering only three cases have reached the courts.

As illustrating the necessity for continuing the power to commandeer fuel for the Navy when operators decline to make any bids or name an extortionate price I may state that since 1917 into the end of December, 1920, the Navy paid an average of \$2.61 for coal when companies were charging as high as \$10 to departments which did not exercise the power to commandeer. The following table gives data with reference to the procurement of the Navy's coal supply;

Prices per net ton paid from July 1, 1917, to Dec. 31, 1920.

	Pennsyl-vania field.	West Virginia field.	
		New River.	Poca-hontas.
July, 1917.....	\$2.09	\$2.09	\$2.09
October, 1917.....	2.00	2.15	2.00
April, 1918.....	2.60	2.15	2.00
May 10, 1918.....	2.60	2.35	2.00
May 28, 1918.....	2.50	2.25	1.90
July, 1918.....	2.95	2.70	2.35
July, 1919.....	3.03	2.85	2.85
September, 1919.....	3.03	2.85	3.06
November, 1919.....	3.33	2.85	3.06
December, 1919.....	3.33	3.10	3.06
April, 1920.....	3.79	3.57	3.57
August, 1920.....	4.24	3.57	3.93
December, 1920.....	4.24	3.93	3.93

During the above period approximately 9,500,000 tons of coal were purchased by the Navy. All of this coal was obtained on commandeering orders issued in accordance with the several acts of Congress authorizing such procedure, and under conditions which afforded just compensation but at the same time avoided profiteering prices.

I desire to emphasize the necessity for legislation which will enable the Navy Department to obtain fuel for its ships without being

subjected to excessive prices. Due to unsatisfactory bids received, it has been necessary for the Navy to commandeer coal continuously from June 1, 1917, to the present time; and to commandeer fuel oil on the east coast from July 1, 1918, to June 30, 1919, and on the west coast from July 1, 1917, to June 30, 1920.

A comparison between market prices and those paid by the Navy under commandeering orders from June 1 to August 21, 1917, on which latter date Government fixed prices were first placed in effect by proclamation of the President, and from April 1, 1920, at which time Fuel Administration prices were finally withdrawn, to December 31, 1920, shows an actual saving of \$1,247,690 effected in the purchase of 1,604,348 tons of coal. While it is impossible to say just what saving was effected during the time that Fuel Administration prices were in force, because no free market then existed, it is estimated that a total of \$6,775,190 has been saved in the purchase of 9,454,348 tons of coal by the Navy from June 1, 1917, to December 31, 1920.

In regard to fuel oil, a careful comparison of market quotations and prices paid under Navy commandeering orders shows a total saving of \$3,366,123 in the purchase of 17,703,749 barrels during the periods mentioned above.

It will thus be seen that the Navy, through the exercise of commandeering powers, has saved to the Government a total of \$10,141,313 since June 1, 1917. During this entire time the fuel situation of the country has been very acute. However, commandeering has been resorted to only when satisfactory bids could not be obtained. With but few exceptions the suppliers have accepted the prices fixed by the Navy as being just and reasonable.

In view of the great economy effected in fuel purchase through the use of commandeering powers, as well as the necessity for the same at times when suppliers refuse to bid on the Navy's requirements, I strongly urge that the existing laws giving such powers to the President be not repealed. It is believed to be especially important that the food control act of August 10, 1917, which was designed to protect the Government in the procurement of food and fuel, remain in force for the present. The repeal of this act, as well as that of other war-time acts, is provided for in House joint resolution 382, now before the Senate for consideration.

If, however, it is considered advisable to repeal the present laws giving general requisitioning powers to the President, I earnestly recommend that, in the public interest, the following provision be enacted in order to properly protect the Navy in the procurement of its fuel supply, viz:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, until June 30, 1922, the President is authorized to requisition fuel necessary to the maintenance of the Navy, and to requisition facilities for handling and storing such fuel, and he shall ascertain and pay a just compensation therefor. If the compensation so determined be not satisfactory to the person entitled to receive the same, such person shall be paid 75 per centum of the amount so determined by the President, and shall be entitled to sue the United States to recover such further sum as, added to said 75 per centum, will make up such amount as will be just compensation for the property so requisitioned, and jurisdiction is hereby conferred on the United States districts courts to hear and determine all such controversies: Provided, That nothing in this act shall be construed to require any natural person to furnish to the Government any fuel held by him and reasonably required for consumption or use by himself and dependents.

Mr. KELLEY. Is there any basis upon which you can determine in advance how much oil you are going to need for the fleet?

Secretary DANIELS. I think Operations and Supplies and Accounts have figured that it will cost about \$37,000,000 next year.

Mr. KELLEY. That would depend upon the plans of operations?

Secretary DANIELS. Yes.

Mr. KELLEY. Is there anything that could be worked out within reason in operations that would cut off the amount of oil used next year?

Secretary DANIELS. Of course, if you reduce the number of ships in commission, which you do if you reduce the men, you reduce the consumption of oil. Of course, we have the ships now, some on the Atlantic and some on the Pacific. If they remain on each ocean we have less expense. Of course, when they come together there is a larger expense. With the smaller number of ships there ought to be some reduction in coal and oil next year. It is very difficult to say. For example, take the situation in the Adriatic, I expected that we would be out of the Adriatic and the Mediterranean long ago, but we still need some ships and you have to send oil over to our ships, which is very expensive. The transportation has been very expensive.

Mr. KELLEY. I really wondered if operations did actually take into account the appropriation for oil or whether they just go ahead and make such maneuvers as they feel ought to be made anyway, regardless of the appropriation?

Secretary DANIELS. I think they sit down and make such maneuvers as they think necessary for the efficiency of the fleet. Inasmuch as oil and fuel is one item which you can overoblige, perhaps, they do not always consider that question, they consider the efficiency of the fleet more than the expenditure of the money. I do not know how you could limit that; the only way to do it is for operations—

Mr. Wood (interposing). \$37,000,000 of coal for 143,000 men, if you reduce the number to 100,000 men, would not the expenditure for coal be reduced proportionately?

Admiral PEOPLES. Yes.

Mr. KELLEY. Mr. Secretary, it seems like a very difficult thing to even get in the neighborhood of accuracy. I recall that it was estimated last year that this item would be \$17,000,000.

Mr. Wood. \$10,000,000, was it not?

Mr. KELLEY. The Secretary cut it to \$10,000,000 arbitrarily and we left it at \$10,000,000.

Mr. REED. We estimated \$27,000,000.

Mr. KELLEY. Yes. The Secretary cut it to \$10,000,000 and we left it at \$10,000,000, but now it develops that it is \$37,000,000 instead of \$27,000,000. There is a leeway of \$10,000,000.

Secretary DANIELS. Of course, I cut it too much; the axe was too sharp.

Mr. KELLEY. It is very difficult for the Bureau of Supplies and Accounts to make any figures if the Chief of Operations maneuvers the fleet whenever he thinks it ought to be, and which possibly might not have been thought of at the time the figures were made?

Secretary DANIELS. If you cut the basis of the men, which means a reduction of ships, you automatically reduce the appropriation, and

when you do that you serve notice on the whole department that from a schedule of a 143,000 Navy to a 100,000 Navy other things must go along with it, and I think notice would be taken of that.

Mr. KELLEY. You do not know of any other basis that could be used in working it out?

Secretary DANIELS. No.

Mr. KELLEY. Who handles the coal, the Secretary or the Assistant Secretary?

Senator DANIELS. I have generally handled the coal. The matter of buying coal, of course, is really handled by the Chief of the Bureau of Supplies and Accounts, but usually he has with him an officer specially designated to look after coal.

Admiral PEOPLES. Yes, sir.

Secretary DANIELS. He takes the matter directly up with me or through this officer. I have really passed upon the coal question ever since I have been the Secretary in connection with Supplies and Accounts.

CONTINUANCE OF SEPARATE ORGANIZATION OF NAVAL DISTRICTS.

Mr. KELLEY. We will go into the details with Admiral Peoples.

There is a smaller matter, but one of importance, and that is the continuance of the separate organization of naval districts. It rather seemed as though it involved a good deal of duplication, as we went along through these different bureaus as a separate organization. We should like to have your view as to whether or not they could not be consolidated and do away with the separate organizations.

Secretary DANIELS. Before the war we did that. What they started with was really a shell. Before the war began in 1916 the Chief of Operations, feeling in need of an inventory of the possible ships and material that could be had in case of war, the thought arose that we should have an important officer in each district, not connected with the duties of the navy yards, to get an inventory of everything possible, and when it came to buying and operating the ships we should have a separate officer in nearly all of the districts. We now have a separate officer only in three districts, New York, Boston, and San Francisco. Everywhere else there is one.

Of course, in San Francisco, so far away from base here, with so many things to be done, it has seemed wiser to have an officer of high rank to whom people may apply, really an Assistant Secretary of the Navy, in the way of handling many things. We are going to move that office. That office has been rented. We have been trying to get an office in the public building at San Francisco, and while I was there last summer I took up the matter with the collector and also with the Secretary of the Treasury. We are going to move the office over to the training station, so that we will save rent. I rather think it is wiser to keep that as a separate agency in San Francisco. New York, of course, is a tremendously important place. There are many things that a naval officer of high rank can do in New York that you could not call upon an industrial man or a man in the yard to do, particularly in winding up matters. This week we are closing out Bay Ridge. The city let us have that land during the war and they

wish it back. We are closing that up. A dozen things happen that an admiral can handle if he knows just what to do. In Boston there are certain matters in that district—I do not think we would save any money, because the Boston district now is in the navy yard and we are paying no rent. It was formerly in a rented building.

The same situation is in New York. We will pay no rent after this fiscal year in any of the places for any of these officers, so I do not think that much money could be saved. Frankly, I have never been very keen about the districts—I mean since the war or after the armistice; but Operations have felt the need in these three places of somebody they could send one word to and he would, in a sense, send it over the whole district. I have been looking into that a little. Last fall I took that up and sent Admiral Coontz to see all the districts, and to cut down the clerical assistance in all of them 50 per cent, and they have instructions to continue to come down. Many things that look like an expense for the naval districts are really not. All the inspection is said to be under them. In a general way it is, but it would have to go on anyhow under the bureaus.

Mr. KELLEY. Is there not a duplication of inspectors?

Secretary DANIELS. I think not.

Mr. KELLEY. One at the yard and one at this place. The Bureau of Yards and Docks could handle it all with their inspectors?

Secretary DANIELS. No. The inspection done by the districts has been the inspection of ships. That was one of the biggest items of expense that we had during the war. We took over a great many yachts, tugs, and boats for submarine work, and this officer in New York, for instance, has been selling those, selling them very rapidly, as rapidly as we could. Of course, there came a slump in the price. For a while we sold them rapidly. We have to keep the ships in condition, with a few men on them. By the 1st of July that expense, which has been considerable in men as well as in money, will nearly all have passed; that will be reduced. There is one phase of it which is a matter open for question. The district officers keep the records of the reservists in the districts. We have had debate whether they should be kept here in Washington or in the districts. I do not think it would make very much difference in the cost whether they are kept in the districts or here. The Bureau of Navigation believes that it is better to have some men in the districts and clerks there to keep them than to have them all brought to Washington. I am not quite sure whether they are right or not; it is a matter for debate. What ought to be done as to reduction of expense is being done. We are reducing very rapidly, and by the end of the year there will be very little expense in the districts, only for an admiral and a couple of officers with him, and a few stenographers. It is coming down to the place where it will be very small.

CLERICAL HELP IN NAVAL DISTRICTS.

Mr. KELLEY. Right at that point, how much are you asking for clerical help in the districts of the Navy out of "Pay, miscellaneous," Admiral?

Admiral PEOPLES. For the clerical help under "Pay, miscellaneous, for 1922," the total asked for is the same as for 1921.

Mr. KELLEY. How much was that?

Admiral PEOPLES. \$1,000,000.

Mr. KELLEY. I mean for the naval districts.

Admiral PEOPLES. \$120,000.

Mr. KELLEY. That is quite a force?

Secretary DANIELS. That ought to be reduced.

Mr. Wood. Is that in addition to what we carry in the legislative bill?

Admiral PEOPLES. The legislative bill has nothing to do with this.

Mr. Wood. We have a lot of inspectors in connection with the legislative bill.

Admiral PEOPLES. These are in the navy yards.

Secretary DANIELS. That sum can be reduced and by July should be reduced. I think you can cut that down, Admiral Peoples, if they have recommended a million dollars. I did not know it was so much.

Mr. KELLEY. How much would you say we could cut the million dollars?

Secretary DANIELS. I should cut it in two again. I put myself in your place, gentlemen, if you cut to 100,000 men and cut that down from \$1,000,000 to perhaps \$500,000, it may be found too big a cut; but when those districts become the hands and ears for the Secretary of the Navy and the Chief of Operations, it is not a big estimate, and that is Admiral Coontz's idea.

Mr. REED. Mr. Secretary, in connection with the million-dollar estimate, half is intended for the naval districts, including service at the naval headquarters, and the other half of it is the standard organization for the navy yards, a cut of 50 per cent—

Mr. KELLEY (interposing). I understood the Secretary to mean 50 per cent of that assigned to the districts.

Secretary DANIELS. Of course, I meant that.

SHIPPING BULLETIN.

Mr. KELLEY. As I understand, the Shipping Bulletin was paid for out of "Pay, miscellaneous"?

Secretary DANIELS. I can tell you about the shipping bulletin. The expense was paid out of "Engineering," I think. At the last Congress we took up the matter of the bulletin with the Appropriations Committee. I think it was cut out in the House or the Senate, one or the other. The shipping interests were very insistent upon having it continued, and it was put in the bill contingently, if we could get enough money to pay the cost. I said to the committee very frankly that it was not a naval matter. During the war it was, and when the troops were coming back from Europe it was, and we carried it on because we had the radio and all communication and all the information, and we could get it cheap, and it was important. The Shipping Board and all the shipping interests wanted it continued. I directed the officer in charge to run it on the basis of getting enough money to pay its expenses. I found out in the fall that it was not paying expenses and I ordered it discontinued, cut it off the 1st of January. Whereupon all the shipping interests came down and said that they could not get along without it; that it was the only thing that gave them information about shipping. I said,

"Gentlemen, it is purely a matter up to Congress. They authorized me to continue it if it paid expenses. I thought it was paying expenses, but I find it is not." I went before the Senate committee. Senator Smoot had looked after it pretty much. We had a meeting. I said it was perfectly immaterial to the Navy; it is valuable to us, but it is really shipping information; we do not need it enough to justify its publication for the Navy. Senator Warren and Senator Smoot and some other Senator were present. They said it must pay expenses. They said in substance: "If you give an order to keep it on for another month, until we can pass upon this matter, we think it would be a wise thing to do." I told them, "In the meantime, I can cut the expenses down 25 per cent," and I have done so. I do not think it ought to be printed unless it pays expenses. I do not think it should be printed by the Navy at all as a naval matter.

Mr. FRENCH. Would not the shipping interests be willing to pay such additional amount as was necessary to pay expenses?

Secretary DANIELS. They must do it. It has been put up to them and I have told Admiral Bullard that he must make the price sufficient to do that.

REVISION OF ESTIMATES.

Mr. KELLEY. Mr. Secretary, if you were to revise your estimates at the present time and have to pass on them as we are passing on them now, knowing what you do about the industrial conditions in the country and the trend of prices, how much do you think would be a safe cut to make due to the decline in the prices of all materials?

Secretary DANIELS. I have not estimated, Mr. Kelley, on that. I think Admiral Peoples might get his experts on that and give you better information than I could.

Mr. KELLEY. I did not know but what you might have thought about it and we wanted your judgment.

Secretary DANIELS. As to an estimate based on current conditions, take the matter of what we call "chow" for the Navy, we estimated on the basis of the then cost of beef, pork, flour, and things that are served. You can reduce that—

Admiral PEOPLES (interposing). We went over that yesterday.

Secretary DANIELS. That would apply to everything, whatever the change has been, and you can reasonably see what prices are going to be. Of course, the estimates would be revised if I were to make them now.

Mr. KELLEY. Yes; but I did not know whether you had formed some opinion which would help the committee or strengthen the opinion of the committee.

Secretary DANIELS. I talked with all the bureau chiefs before they came up. I said, "When you go before the committee you tell them exactly what you think; whether I think it or not is a very small matter." That has always been my policy. I have not made those figures, but Admiral Peoples can make them for you.

Mr. KELLEY. Yes, sir.

Secretary DANIELS. If I were to make them, I would look to Supplies and Accounts to get them up for me.

Mr. KELLEY. We have gone pretty thoroughly through that matter with the Admiral, and we rather wanted your judgment, if you had formed one.

Secretary DANIELS. My judgment is that you can reduce it to the point wherever prices have come down.

Mr. KELLEY. Is there anything else that you would like to say to the committee, Mr. Secretary?

Secretary DANIELS. I think not. I think you have all the information from the bureau chiefs; I have given you those things that you asked of me and the other things, I have confidence that you wish to keep the Navy as big as you can, in the performance of your duty under a very critical situation.

Mr. KELLEY. We thank you very much, Mr. Secretary.

WEDNESDAY, JANUARY 26, 1921.

PAY OF NAVAL RESERVISTS.

STATEMENT OF HON. JOHN F. MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON.

Mr. KELLEY. We have before the committee this morning Congressman Miller, of the State of Washington.

Mr. MILLER. I appear in behalf of that portion of the bill relating to the Naval Reserve. I believe the Secretary has recommended an appropriation of \$250,000.

Mr. KELLEY. Do you want it less or more?

Mr. MILLER. More.

Mr. KELLEY. You are familiar with that provision of law which turns into this fund all the retainer pay of men who do not train, which might swell the amount to almost any sum.

Mr. MILLER. From the experience of the past it has not been swollen very much.

Mr. KELLEY. Last year, when they were just starting on it, it amounted to \$80,000.

Mr. MILLER. That would make \$330,000.

Mr. KELLEY. If it were not more next year. The further we get from the war, the experience is that more and more are dropping out.

Mr. MILLER. The State of Washington appropriates \$30,000 for the Naval Reserve and we have and did have at the outbreak of the war a splendid organization, which was of inestimable benefit to the country.

Mr. KELLEY. Was that a Naval Reserve Force or was that the Naval Militia?

Mr. MILLER. It was called the Naval Militia. It is the earnest hope of the people in the State of Washington, especially those interested in this movement, that a sufficient appropriation will be made to maintain the spirit that has heretofore existed in this organization. Among those interested are some of the best and most active young men we have in the community—lawyers, doctors, merchants, and up-to-date people. They have an enthusiasm in their work that has given this organization quite a standing, and it is the unanimous

request of our people that this appropriation be increased to at least \$500,000. Of course, like everybody else, they would like to have more if they could get it, but that is about the sum they think would be the proper amount to allow.

Mr. KELLEY. On page 30 of the bill you will notice a provision that was inserted last year, which is another provision relating to the Naval Militia:

Provided further. That, until June 30, 1922, of the Organized Militia as provided by law, such part as may be duly prescribed in any State, Territory, or the District of Columbia shall constitute a Naval Militia; and, until June 30, 1922, such of the Naval Militia as now is in existence, and as now organized and described by the Secretary of the Navy under authority of the act of Congress approved February 16, 1914, shall be a part of the Naval Reserve Force, and the Secretary of the Navy is authorized to maintain and provide for said Naval Militia as provided in said act: *Provided further,* That upon their enrollment in the Naval Reserve Force, and not otherwise, until June 30, 1922, the members of said Naval Militia shall have all the benefits, gratuities, privileges, and emoluments provided by law for other members of the Naval Reserve Force.

That gives the Secretary authority to take in this Naval Militia, if it is still organized in the State of Washington, as a part of the Naval Reserve, and they are entitled to all the benefits that come out of the regular Naval Reserve appropriation of last year, amounting to \$12,000,000.

Mr. MILLER. And what are you providing?

Mr. KELLEY. The appropriation of last year—\$50,000—was for heat and light, and the Secretary is now asking \$200,000 for the pay of janitors in armories. It is just a little organization fund, and that is not what you want increased, is it?

Mr. MILLER. Is that the appropriation for the support of this institution?

Mr. KELLEY. Yes. It was \$12,000,000 last year.

Mr. MILLER. What is the amount in this bill?

Mr. KELLEY. \$33,000,000.

Mr. MILLER. For the Naval Reserve?

Mr. KELLEY. Yes. They started with \$33,000,000, cut that amount to \$17,000,000, and finally made it a somewhat lower amount.

Mr. MILLER. How is that apportioned among the States?

Mr. KELLEY. That is not apportioned among the States; it is paid to the men direct.

Mr. MILLER. For sustaining the force?

Mr. KELLEY. It is their regular pay. They get two months' retainer pay after they are confirmed.

Mr. MILLER. Then that is the amount under which the organization is perpetuated—is that right?

Mr. KELLEY. The large fund I mentioned is the fund out of which their pay comes, and then this other fund is just a little incidental fund used to assist in the employment of janitors for armories and some heat and light. For instance, your State might have some armories and they might want to join with the State in paying for the janitor service or paying for the heat and light during the time these boys use the armories. That is about all. It is just a small fund for that purpose.

Mr. MILLER. It is to pay for those things which would keep the organization going, is it not?

Mr. KELLEY. Not the pay of the men?

Mr. MILLER. No; not the pay of the men, but to afford facilities for the organizations and meeting places, so as to keep up their spirit in the work. It is very clear that if an organization has no place to meet and there is nothing attractive along that line that your organization will fall apart. The only way to keep an organization going—and I think that is the common experience of mankind—is to have a place of meeting, and have a comfortable and commodious place.

Mr. KELLEY. No doubt at Seattle you have an armory and these boys meet there.

Mr. MILLER. Yes, sir.

Mr. KELLEY. If the Federal Government pays a little toward the expense of the janitor service and something toward heat and light, what more do you need?

Mr. MILLER. As to armories and all buildings of that sort, there are good places and bad places, places that are attractive and places that are out of the way, the same as everything else.

Mr. KELLEY. What do you mean by that?

Mr. MILLER. Why, more attractive quarters in the armories, and those things.

Mr. KELLEY. You do not think we ought to pay the rent of armories, do you?

Mr. MILLER. I presume a portion of such expense will have to be met, although I do not know.

Mr. KELLEY. Nobody is suggesting that, but, of course, if we had a large sum of money available for that purpose I imagine they would be suggesting it.

Mr. MILLER. The people out in my country have sent me a number of letters and a telegram, which I would like to file and make a part of the record. They uniformly urge that this appropriation be not less than \$500,000 for the next fiscal year.

Mr. KELLEY. What do they know about the needs of the entire country in connection with this fund?

Mr. MILLER. Their observation of other parts of the country is the same as everybody else.

Mr. KELLEY. They have no notion as to what it would cost in the country as a whole?

Mr. MILLER. No, sir; except as they would get such a notion from correspondence and in other ways of that sort. I have a letter from Mr. Frederick G. Simpson, president of the United States Naval Reserve Officers' Association, of the thirteenth naval district.

Mr. KELLEY. He would probably have some idea as to the needs of the country as a whole.

Mr. MILLER. I would like that letter placed in the record.

(Said letter follows:)

SEATTLE, WASH., January 5, 1921.

Hon. JOHN F. MILLER,

House of Representatives, Washington.

DEAR SIR: In confirmation of a telegram sent you this date relative to the request of the officers and men of the United States Naval Reserve Force organization of the thirteenth naval district, comprising the States of Washington, Oregon, Idaho, Montana, Wyoming, and the District of Alaska, that the appropriation for the maintenance of the United States Naval Reserve Force for the ensuing fiscal year be increased to a sum of not less than \$500,000, your attention is invited to the following facts:

The United States Naval Reserve Force organization as at present constituted includes a membership of approximately 28,000 officers, and 227,000 men, all of

whom, with a very few exceptions, received a certain amount of training in the Navy under war conditions. It is essential under any plan that could with justice be adopted that these officers and men be retained in readiness to respond in the event of future emergency requiring their services. It is also essential to the same end that the organization be maintained at not less than its present strength. A great number of the present enrollments will expire during the present calendar year, exceedingly few of which will be renewed unless adequate funds are provided to sustain the organization.

The State of Washington alone appropriated, for the maintenance of its naval militia for the years 1917-18 the sum of \$30,000, and this only provided the State's share in connection with the maintenance of approximately 20 officers and 350 men at the time the appropriation was made, which appropriation by this date was small relatively to the amounts appropriated by other States, and also as compared to the amounts necessarily expended by the Navy Department in connection with the training, etc., of the naval militia, similar treatment being accorded the naval militias of the other States by the Navy.

The naval reserve organization is a body of men earnestly desirous of fitting themselves to be useful to the country at a time when, if they are properly trained, their services would be valuable above any price. In the greater part they are men financially unable to bear the entire expense of such training themselves.

It is believed the amount suggested is entirely inadequate to the needs of the service and is the smallest amount which can be made which will accomplish any practical results.

With the number of Navy ships now ready for active service in case of need, and considering the present allowed numbers in the Regular Navy, more trained men than the present strength of the United States Naval Reserve Force would be required immediately to man these ships in case of need, and trained men can not be gathered up overnight.

The existence of the United States Naval Reserve Force as at present would have been invaluable at the beginning of the war.

Respectfully yours,

U. S. N. R. O. A., THIRTEENTH NAVAL DISTRICT,
By FREDERICK G. SIMPSON, President.

The next one is from Ensign F. L. Gwinn, of the United States Naval Reserve Force.

(Said letter follows:)

BELLINGHAM, WASH.,
January 16, 1921.

Mr. JOHN MILLER,
House of Representatives, Washington, D. C.

DEAR SIR: The writer, as well as all naval reservists in this district, is very much interested in what your attitude will be in regard to the Naval Reserve Force appropriation. The Naval Reserve Force has come to mean so much more than the old organization of State militia and national naval volunteers before the war that we believe an appropriation of \$500,000 will be necessary to keep the organization up to the standard intended by the Navy Department and keep up the interest the thousands of reservists on inactive duty show.

There are many of these inactive members in Whatcom and Skagit Counties, and we have had several meetings in an attempt to better organize for work in this district. We want an Eagle boat for our training ship in Bellingham, and the headquarters Thirteenth Naval District, at Bremerton, would like to give us one, but if we are cut away down on appropriation we will be unable to do anything.

The writer has been active in the naval militia of Washington for nearly ten years and for a good many years we had the gunboat *Vicksburg* at Seattle. This was a good old ship and we will need another one to keep up the work.

Thanking you for your support of an adequate appropriation. I am,

Very truly,

F. L. GWINN,
Ensign (S. C.) U. S. N. R. F.

The next one is from Lytton M. Swartz.
(Said letter follows:)

BELLINGHAM, WASH., January 17, 1921.

Hon. JOHN MILLER,
Washington, D. C.

DEAR SIR: As a member of the Naval Reserve Force of the United States I am asking that you support the appropriation of the Naval Reserve Force for which \$500,000 is asked. We realize that if this amount of money is not appropriated our reserve force will be conducted in the same slip-shod manner that it has in the past.

If you are interested in the State of Washington, and I know you are, you will realize that if this bill is passed this State will be one of the strongest branches of the Naval Reserve Force, for most of the important seaports will be assured of obtaining naval ships for training purposes and live organizations will be maintained. I, therefore, ask you to support this bill.

Very truly, yours,

LYTTON M. SWARTZ.

The next letter is from Capt. W. B. Allison, who for many years has been very closely connected with this institution, and during the war was in charge of vessels, one vessel running to South America and, I believe, overseas. He is one of the promising lawyers of Seattle.

(Said letter follows:)

SEATTLE, January 6, 1921.

MY DEAR JOHN: I hope you can add your efforts to the others to get a decent amount appropriated for the Naval Reserve Force. By "decent," of course, I do not even suspicion an untoward expression. The situation has been well presented by Simpson, of the Naval Reserve Officers' Association, but of course he has not been able to say one-half, not 1 per cent of what the subject seems to merit.

You may recollect I had to smile and take the joking of all sorts of people in prewar days because I had been, was, and I confess I still am, in favor of preparedness. "Tin sailor" was the least caustic of the comments. But the State of Washington delivered enough of those tin sailors to fill out the complement of the *Vicksburg*, 80 per cent of the men and officers being such fellows, 116 in all; also the State of Washington furnished men enough to enable the *South Dakota* to go to sea in two days after war was declared, complement filled, and so on. That force was, as a fact, not a drop in the bucket of war. There were not over 20,000 of that sort of men in the whole United States. When the war ended there were many more; in fact, the last count I saw was over 28,000 officers and over 226,000 men in the reserve; and all those, with the full allowed strength of the Regular Navy, will not man the warships now completed and ready for sea almost immediately. You can not take any farmer, dock-wallop, counter jumper, or any other sort of man and make a sailor out of him in the sense I understand a sailor, as a member of the crew of a fighting ship, by merely enlisting him, putting a Navy uniform on him, and putting him on a ship. Such a thing is not clubby; it is not done any more even in the most nonexclusive circles.

The \$500,000 asked for is not enough, but it seems unlikely a proper sum can be gotten, so I hope you will aid your aid to getting at least that amount. Make it as much as you can, though, as the United States needs the naval reserve sorely and it takes money to keep such an organization going. I know you will aid in this matter as far as you think the public interests require.

With personal compliments and best wishes, I am,

W. B. ALLISON.

Hon. JOHN F. MILLER,
House of Representatives, Washington, D. C.

The telegram is from the Seattle Chamber of Commerce.
(Said telegram follows:)

Naval reserve officers in this district call attention to need of increasing maintenance appropriation of reserve during fiscal year, otherwise they fear loss by end of next year of approximately 130,000 men from reserve, through expiration of term of service and unwillingness to reenlist unless reserve adequately supported. Secretary of Navy has recommended only \$250,000, whereas reservists maintain half million advocated by Capt. Ziegler, officer in

charge of the naval reserve department, Bureau of Navigation, represents absolute minimum under which service can be successfully sustained. Trust you will investigate and assist to full extent warranted by facts in making certain efficiency of service preserved.

SEATTLE CHAMBER OF COMMERCE.

We are situated on the seaboard and of course take more to naval affairs and things that are connected with the sea than do the inland people. There is a large steaming radius, as you gentlemen know, on Puget Sound, and they have built up an organization there that is really a wonderful thing. These gentlemen are interested in having facilities afforded them to such an extent that they can keep their organization going and keep it effective.

Mr. KELLEY. If we pay these men for the three months' training which they are required to give during the four years and pay them in addition for eight months during the four years, making 11 months' pay for 3 months' training, do you not think they could afford to take care of these little local expenses?

Mr. MILLER. That may be possible in some localities. You understand, of course, that the main personnel of this organization in Seattle and on Puget Sound, as well as elsewhere, is composed of active young men who, when they take this training, are put to some disadvantage in their various lines of employment, professions, etc., and probably in many, many instances they do it at a financial sacrifice. I suppose that is common over the country.

Mr. BYRNES. I presume so, yet I was wondering whether in many instances the young men would not regard it as a vacation. Many men have gotten the idea that it is a good way to spend their vacations—that is, in this service and in the military training camps of the country, because of the exercise they get—and I imagine that many of these boys will welcome it as a vacation and as giving them an opportunity to meet the comrades with whom they were associated in the service, and enable them to get the exercise incident to the training during this two weeks' period?

Mr. MILLER. That may be so. A number of the young men who belong to this organization, particularly in Seattle, are students at the State institution, and the rule has been regarding them that very frequently these cruises were taken on Sunday. They had the old gunboat *Vicksburg* set apart for their use and they would go on Sunday cruises. Of course, that entails very little loss of time from that point of view, but very often the cruises would be taken during the week, when some of them could go. I have been with them on the Sunday cruises, and the routine they went through and the training they went through were certainly something of a revelation to me, as well as the spirit of the whole organization. I think it is very necessary that that spirit be kept up and such facilities given as will tend to keep it up. Now, Mr. Kelley, as I understand, this appropriation is for the purpose of meeting the incidental expenses of quarters and things of that kind.

Mr. KELLEY. It is just for what I stated—janitor help, heat, and light—and has nothing to do with the pay of the men. This is a most generous law, and it is really more so than anybody contemplated. I think, when the law was passed. It runs into very great sums of money, and I do not know whether you have looked into that phase of it or not.

Mr. MILLER. No; I have not—that is, I have not gone into the details of it.

Mr. KELLEY. They are required to train three months out of the four years' enlistment; they get paid for that at the regular pay of the grade in which they are confirmed, and then they get two months' retainer pay every year during the four years.

Mr. MILLER. And what does that amount to?

Mr. KELLEY. That amounts to 8 months' pay for the retainer pay and 3 months' pay for the time they actually are in training, making 11 months' pay. I think the average of the pay of the officers in the Naval Reserve would be \$200 or \$250 a month during their four years, and at an average of \$200 a month they would get \$2,200 for the three months they were in training during the four years.

Mr. MILLER. That is, the officers?

Mr. KELLEY. Yes. You see that is a pretty generous amount to pay when you take into account that it is only about three weeks in the summer time each year that they have to give the Government any of their time, and they get for that \$2,200. I suppose the men would average about \$60 a month; some of them would get a little below that and some of them a little above that, but probably the average would be about \$60 a month, and that would be about \$660 for the four years.

Mr. MILLER. These men go to sea on these cruises.

Mr. KELLEY. They get paid for that.

Mr. MILLER. And of course during that time they are entirely separated from their regular employments and professions.

Mr. KELLEY. Well, almost every fellow wants to get away for three weeks in the summer. It is most generous and most liberal treatment. I do not believe Congress really figured what it would be in the way of pay when the law was passed, but if the strictest kind of regulations are enforced, so that the Government gets the benefit of the training, it will probably be money well spent, but otherwise it is a hole in the barrel that will let out almost any sum of money you want to spend. In addition to the amount carried in the bill for armories, for heat, light, and that kind of thing, for organization purposes we put in the bill last year a provision that in case the young men, after they were confirmed, did not take the training, that then their pay would be cut off, which is necessary and proper, and that money goes into the organization fund, so that as the requirements are tightened up by the Navy Department, in order to insure better service, I suppose there will be others drop out altogether.

Mr. MILLER. And you say that amounted to about \$80,000 last year?

Mr. KELLEY. Yes.

Mr. MILLER. And the appropriation last year was how much?

Mr. KELLEY. \$50,000.

Mr. MILLER. The thing to keep in mind is the necessity of keeping up the spirit of the organization so that it will continue a valuable adjunct to the Navy and be effective.

Mr. KELLEY. If that pay does not keep it up, I do not know what will. If you were an officer in the Naval Reserve, and receive \$2,200 in four years for the little time you put into that service, and that did not keep you in line, I do not know what would.

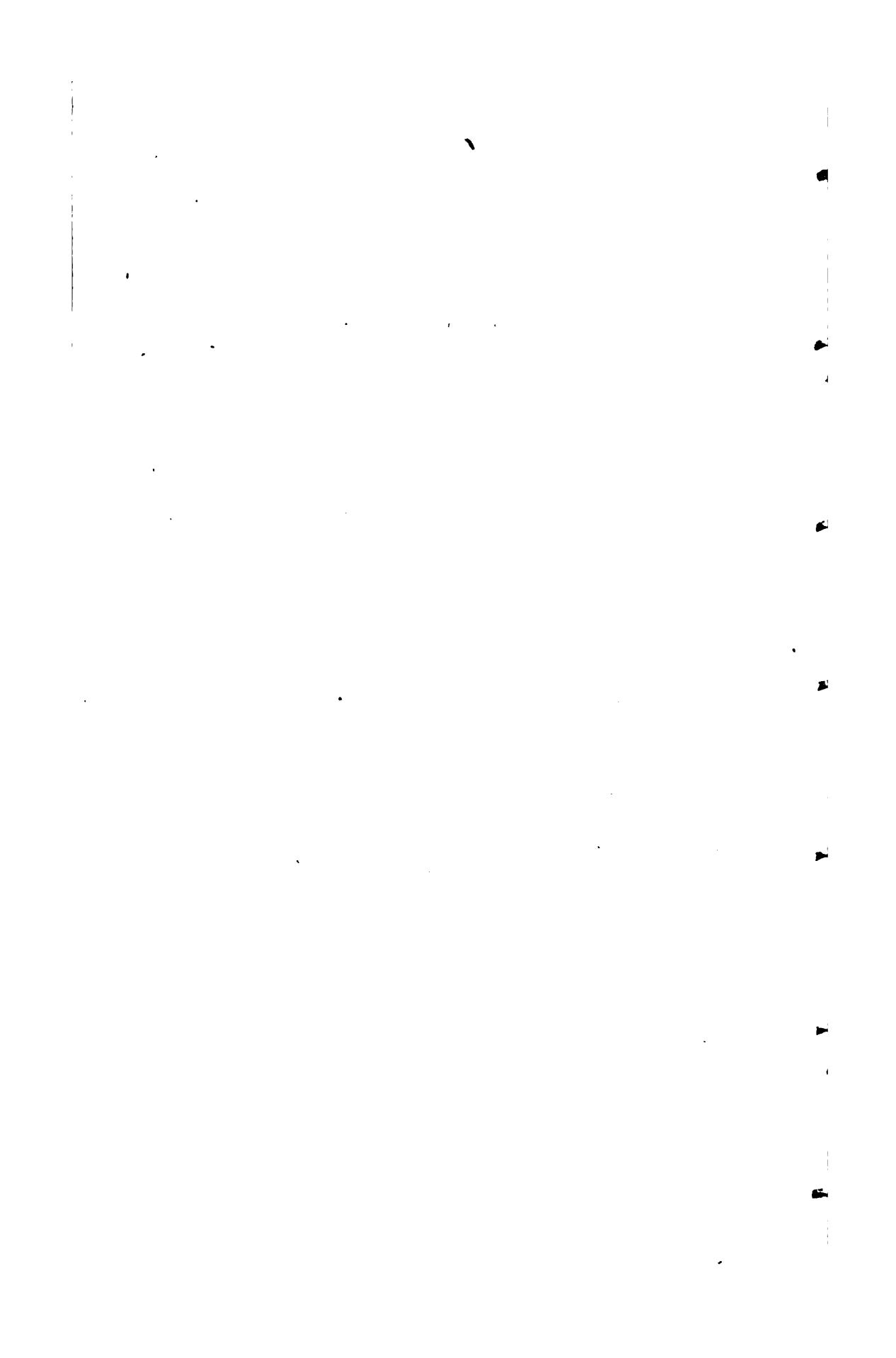
Mr. MILLER. Of course, the officers are few as compared to the number of men.

Mr. KELLEY. There are 13,000 of them in the United States.

Mr. MILLER. What is the number of men?

Mr. KELLEY. One hundred and twenty thousand.

Mr. MILLER. All I have in mind, gentlemen, is to have an appropriation made which will be sufficient to keep this organization going—keep up the proper spirit and provide them with the facilities that will tend toward an efficient organization.



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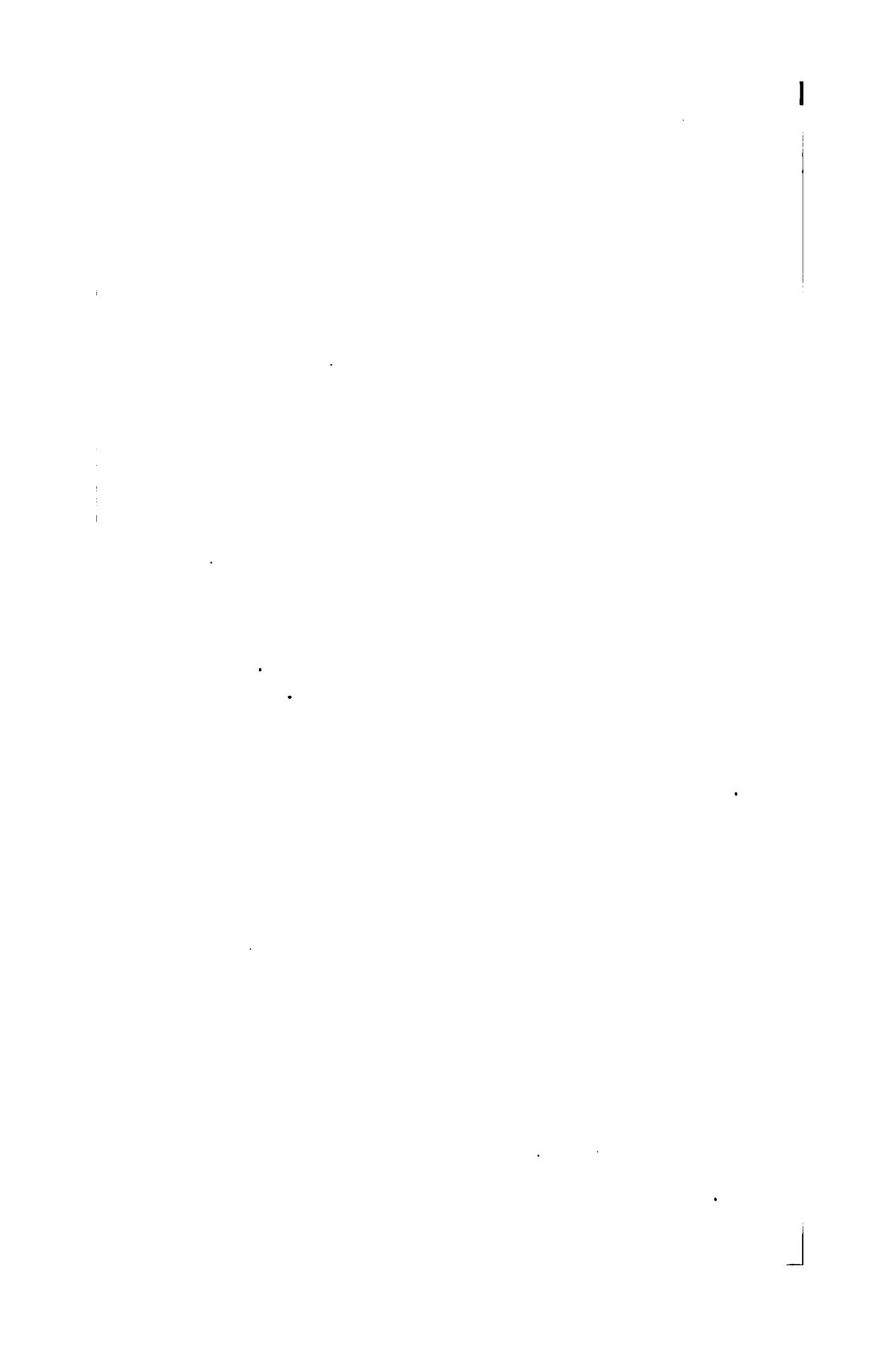
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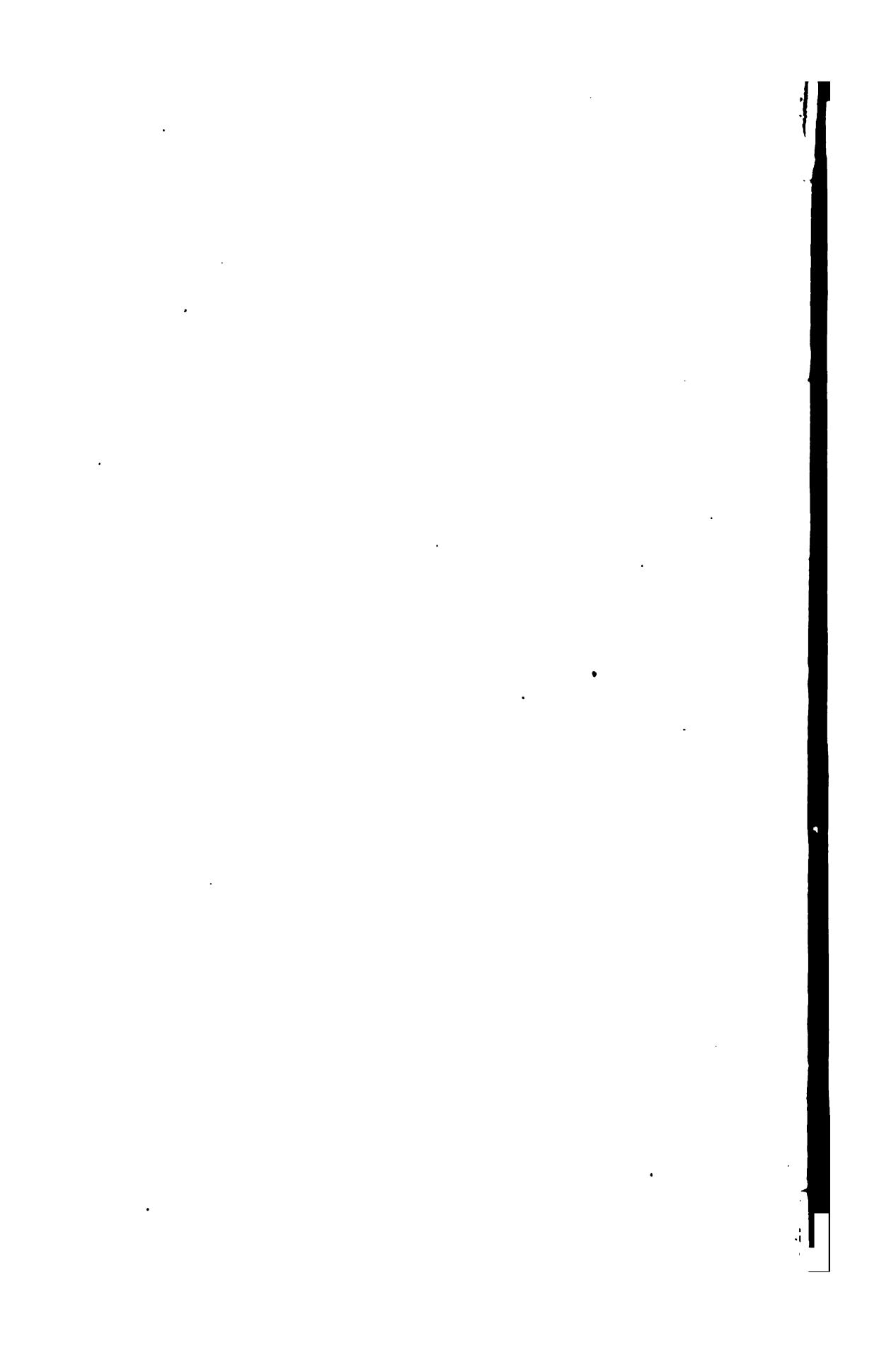
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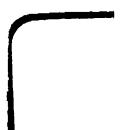
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